



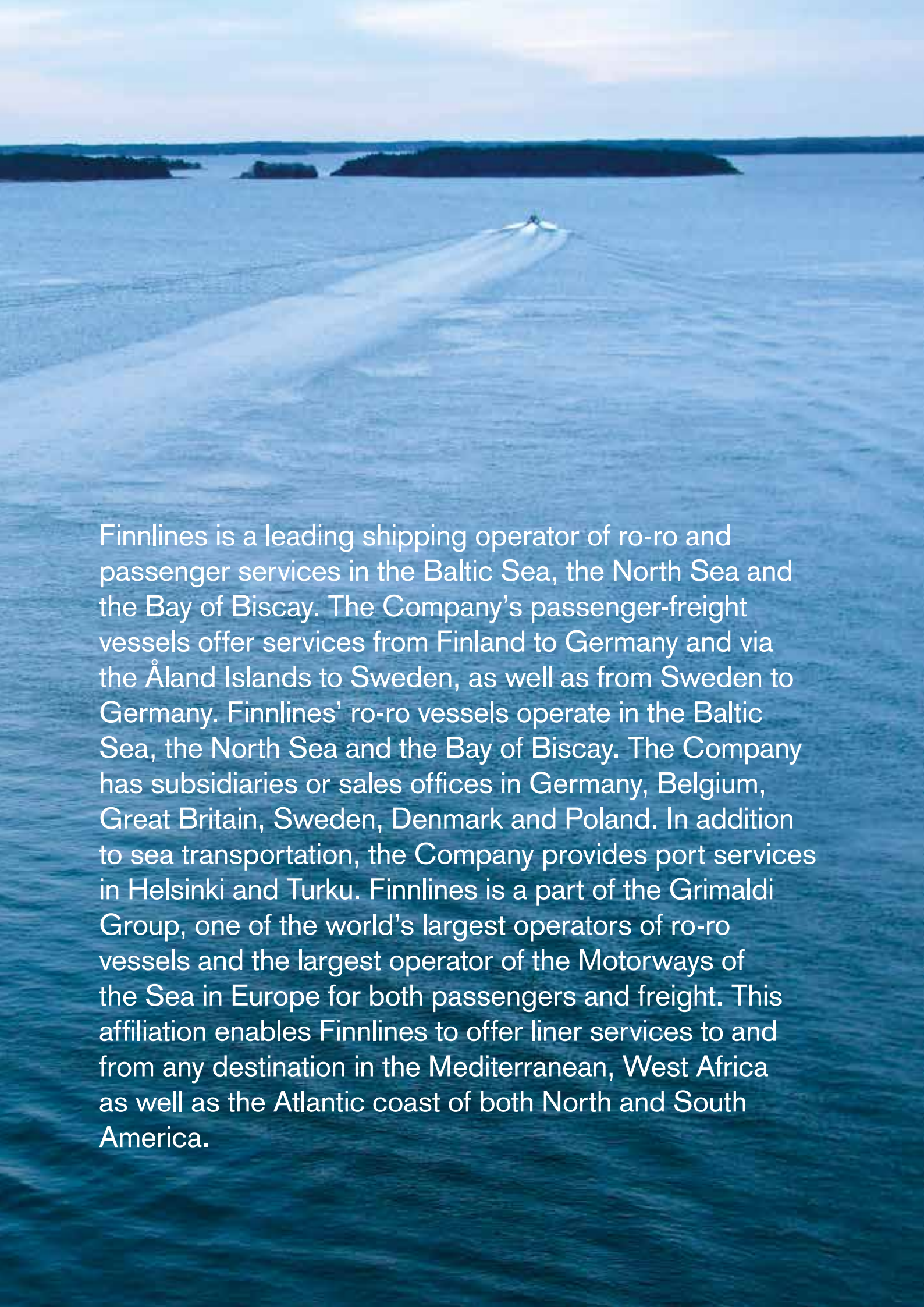
Finlines
a Grimaldi Group company

ANNUAL REPORT

2019

Contents

Highlights 2019	2
CEO's Review	4
CFO's Review	6
Business concept, values and strategic goals	9
Business environment	11
Shipping and Sea transport services	13
Passenger services	15
Port operations	17
Environment and safety	19
Human resources	23
Financial Statements	
Board of Directors' Report	26
Consolidated statement of comprehensive income	30
Consolidated statement of financial position	31
Consolidated statement of changes in equity	32
Consolidated statement of cash flows	33
Profit and loss account, Parent Company	34
Balance sheet, Parent Company	35
Cash flow statement, Parent Company	36
Five-year key figures	37
Calculation of key ratios	38
Quarterly data	39
Board's Proposal	40
Auditor's Report	41
Corporate Governance Statement	43
Board of Directors	48
Executive Committee and Board of Management	49
Finnlines fleet	50
Contact information	52
Operating areas	52
The Grimaldi Group	53

A large ship is seen from a distance, moving across a vast expanse of blue water. The ship's wake is visible, creating a white trail behind it. In the background, there are several dark, forested islands or peninsulas under a clear sky. The overall scene is serene and expansive.

Finnlines is a leading shipping operator of ro-ro and passenger services in the Baltic Sea, the North Sea and the Bay of Biscay. The Company's passenger-freight vessels offer services from Finland to Germany and via the Åland Islands to Sweden, as well as from Sweden to Germany. Finnlines' ro-ro vessels operate in the Baltic Sea, the North Sea and the Bay of Biscay. The Company has subsidiaries or sales offices in Germany, Belgium, Great Britain, Sweden, Denmark and Poland. In addition to sea transportation, the Company provides port services in Helsinki and Turku. Finnlines is a part of the Grimaldi Group, one of the world's largest operators of ro-ro vessels and the largest operator of the Motorways of the Sea in Europe for both passengers and freight. This affiliation enables Finnlines to offer liner services to and from any destination in the Mediterranean, West Africa as well as the Atlantic coast of both North and South America.

Highlights 2019

Key financial figures

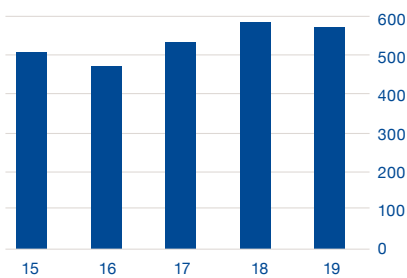


Revenue by function 2019

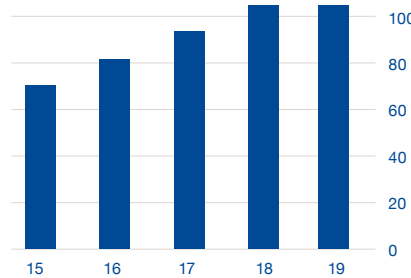


* Including internal revenue between the segments EUR 21.9 million.

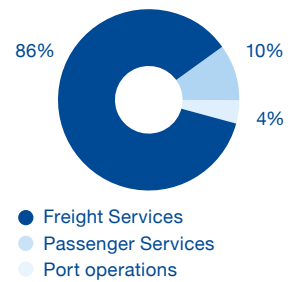
Revenue 2015–2019
EUR million



Result before interest and taxes (EBIT) 2015–2019
EUR million



Breakdown of external revenue 2019



EUR million	IFRS 2019	IFRS 2018
Revenue	574.8	589.4
Result before interest, taxes, depreciation and amortisation (EBITDA)	169.8	166.4
Result before interest and taxes (EBIT)	104.8	104.9
Result for the reporting period	98.3	95.1
Equity ratio, %	58.5	53.3
Interest bearing debt, MEUR	372.2	452.8
Net gearing, %	50.8	68.1

Key operational figures

Finnlines transported in 2019



738,000
cargo units



166,000
cars



1,113,000
tons of non-unitised freight



665,000
passengers

Strategic expansion

EUR 500 million newbuilding programme

With deep understanding of the market and its growth potential, Finnlines' EUR 500 million newbuilding programme will increase the Company's combined fleet capacity by 38% for rolling cargo like trailers, lorries and cars and by an even more impressive 58% in passenger capacity. In line with Finnlines' ambitious expansion plans, depending on the market development, these investments will provide perfect tools to respond to future customer needs.

Finnlines has a modern and energy-efficient fleet consisting of 21 vessels, of which 9 are ro-pax and 12 ro-ro vessels. Over the years, the Company has invested more than a billion euros in renewal of vessels. All these investments were aimed at improving energy efficiency and thus contribute more to reducing emissions.

Three hybrid ro-ro vessels

The construction work of the first hybrid ro-ro vessel has started. The new vessels will be built with the latest technical and environmental solutions in mind. In addition to lithium-ion battery systems, which enable



'zero emissions in port', they will be equipped with several advanced technologies to save energy and thus reduce emissions further.

Hybrid ro-ro vessels are designed for flexible ro-ro cargo, including high and heavy cargo.

The ro-ro vessels are expected to be delivered during 2021–2022.

Two large Superstar ro-pax vessels

Finnlines ordered two new Superstar ro-pax vessels in December 2019. They will be Finnlines' flagships both in terms of size and technology, and they will be equipped with the same energy efficiency and environmental technology as the ordered hybrid ro-ro vessels.

The Superstar ro-pax vessels are designed with the focus on fast and efficient cargo handling as well as on high-level passenger comfort: designed to offer the best possible passenger experience.

The Superstar ro-pax vessels are set to start operating in 2023.

Smart technology used in newbuildings



Battery banks

Lithium-ion battery systems to enable zero-emission operations and to reduce noise in port



Reblading & Promas Lite Systems

to increase energy efficiency



Main engines

type and size carefully selected to achieve the lowest possible specific fuel oil consumption



Optimised hull lines

to optimise energy efficiency



An innovative air lubrication system

to create bubble layers which will reduce friction and hydrodynamic resistance



Use of shore-side electricity in port

to reduce fuel consumption, emissions and noise

Hybrid ro-ro
Capacity to carry

 ~370
trailers
per sailing

Superstar ro-pax
Capacity to carry

 1,100
passengers
per sailing



~200
cars
per sailing



+ ~250
lorries
per sailing



Examples of loading possibilities



CEO's review

Finnlines is the forerunner of 2020 Green Change

– Five Ultra Green Generation vessels ordered

In many ways, 2019 was again a remarkable year for Finnlines. While revenue was slightly below the previous year's level – due to the slowdown in Finland's exports and imports – profitability grew steadily from the previous year as a result of the Company's past investments made in our fleet – as well as due to all our actions in improving efficiency, productivity and financial performance.

According to the Finnish Customs' preliminary data, the value of Finnish goods exports increased by 1.9% in 2019, but imports decreased by 1.4% compared to 2018. Based on the volume statistics by Traficom for January–December 2019, the Finnish seaborne imports carried in container, lorry and trailer units (measured in tons) decreased by 3%. Finnish export volumes remained at the same level as the previous year. Our cargo volumes dropped from 754,000 units in 2018 to 738,000 units, but we shipped 166,000 cars, up from 163,000 in 2018, and carried 665,000 passengers; a substantial improvement on the previous year.

The Finnlines Group's turnover was EUR 574.8 million (EUR 589.4 million) in January–December 2019. However, the Finnlines Group's 2019 result increased to EUR 98.3

million. The 2019 result follows our successful track record over the past years and was Finnlines' best ever result in our 72 years of operation.

In 2019, we continued to focus on fundamentals, i.e. dedication to smart use of technology, digitalised and optimised processes across our businesses, investments in energy efficiency to advance sustainable development and effective execution of our strategy by our highly productive, skilled and committed employees. One topic in our strategic discussion is digitalisation. In recent years, we have invested a lot in information technology. We have implemented two major ERP systems, one in the port and the other relating to vessel efficiency monitoring and measurement. We have also developed mobile services in port operations. This development in digitalisation and automation increases the efficiency and effectiveness of our processes just to name a few examples.

Finnlines' shipping services in the Baltic and North Sea areas provide a backbone to Finnish industries and commerce and to Finland as a whole. Finnlines' ro-pax concept combines cargo and passenger traffic in an eco-efficient

“We continued to focus on fundamentals, dedication to smart use of technology, digitalised and optimised processes across our businesses, investments in energy efficiency to advance sustainable development and effective execution of our strategy.”



way, and our high utilisation rate on the ro-pax routes and vessels enables our customers to carry their goods or travel in a sustainable and responsible way compared to other modes of transportation. In turn, as to our ro-ro services, we have steered large investments advancing sustainable development, i.e. environmental technology investments to further reduce the Finnlines fleet's emissions, installation of modern propulsion systems and ship lengthenings to decrease energy consumption. Most recently, we have placed an order for two green ro-pax newbuildings to continue the transformation process of our eco-efficient fleet. All in all, we will continue to deploy larger and larger vessels in order to benefit from economies of scale.

In 2020, we have entered a new era of international shipping. While shipping is already the most environmentally friendly mode of transport, particularly in transporting large amounts of cargo, it is clear that we need to have ambitious targets. Around 90% of world trade uses sea transport, but the world's shipping sector accounts for only 2.2% of the CO₂ emissions produced globally. Like many other sectors of the global economy, shipping is entering a new area of progress – there are some of the main challenges and trends shaping today's maritime evolution and those are: decarbonisation, digitalisation and investment, concentration, intermodality – and the biggest challenge is the environmental one.

The shipping sector is facing strict emission cuts. In April 2018, IMO, the International Maritime Organization under the UN, decided to reduce emissions from shipping transport. According to the ground-breaking agreement, CO₂ emissions from international shipping will be reduced by a minimum of 40% by 2030, and by 50% by 2050 from the 2008 level. Considering the fact that simultaneously the world's fleet capacity will have increased dramatically, it follows that we will have to reduce greenhouse emissions per ship by 80%. This means basically aiming for creation of a zero-emission ship and diffusion during the next two decades.

Finnlines welcomes the IMO's GHG strategy and its goal to reduce carbon dioxide emissions. Finnlines is committed to long-term efforts for the environment. Environmental responsibility is part of our daily operations and includes everyday actions – like fleet changes and route optimisation, fuel monitoring or running at optimal speed, load and trim. Moreover – as a forerunner in sustainability – we have invested heavily during the past decade: in a new technologically advanced tonnage, in R&D that supports emission reduction equipment and operations, but also in the highly skilled personnel. Above all, we have ordered five Ultra Green Generation vessels, three green hybrid ro-ro vessels and two eco-efficient Superstar ro-pax vessels which represents a total investment worth EUR 0.5 billion.

The construction work of the greenest ro-ro vessels has started. The vessels will be built with the latest technology to ensure the optimised energy efficiency and lowest emissions. They will be equipped with lithium-ion batteries that enable zero-emission operations in port. An innovative air lubrication system will reduce friction and hydrodynamic resistance and, consequently, reduce fuel consumption and emissions. Optimised energy efficiency is ensured with the hydrodynamic hull shape and an integrated propeller-rudder system. The first ro-ro vessel is expected to start operation as early as 2021, and the other two in the first half of 2022.

Another newbuilding project is underway and two environmentally innovative Superstar ro-pax vessels were ordered in December 2019. They will be Finnlines' flagships both in terms of size and technology. They will be equipped with the same energy efficiency and environmental technology as the ordered hybrid ro-ro vessels. The Superstar vessels are designed with the focus on fast and efficient cargo handling to guarantee Finnlines' customers a short turnaround time. But at the same time, we aim to further develop passenger comfort, and the renewed concept combines the best of both cargo and passenger vessels. Travelling with Superstar will be comfortable and relaxing. There will be plenty of space to relax: areas where you can enjoy the voyage and take in sea views, or restaurant, café and shopping areas offering a wide range of products and services.

We are confident that Finnlines has the correct and right strategy for our customers and for the Grimaldi Group as a whole. We will continue to deploy larger and larger vessels in both ro-pax and ro-ro segments, creating better economies of scale, and reducing CO₂ emissions. We are ready for the future and we will have all the capabilities to improve our profitability further, thus continuing the splendid track record of the past years which peaked to our 72-year high in 2019.

I would like to thank all our customers and our stakeholders for your continued trust and support. Looking to 2020 and beyond, we will continue on our path, and make the right investments in line with our strategy in order to also ensure the joint success with our customers. We are geared for growth – with the sustainable investment decision to order five Ultra Green Generation vessels, along with our actions taken to increase the Company's efficiency, productivity and financial performance – we trust that we will continue to perform well in the years to come. Finally, I thank our employees for their enthusiasm, commitment and hard work – again.

Emanuele Grimaldi

Finnlines Group's strong balance sheet is geared towards growth

Financial performance

Finland relies on shipping for 90% of its exports and 80% of its imports. Finnlines transported 738,000 cargo units in 2019. In 2018, the corresponding figure was 754,000. The number of cars transported was 166,000 (163,000). The number of passengers who travelled with us was 665,000, which is an all-time record.

The Finnlines Group's revenue declined slightly along with the trend in Finnish exports and imports to EUR 574.8 (589.4) million. Shipping and Sea Transport Services generated revenue amounting to EUR 550.9 (567.2) million, of which passenger-related revenue was EUR 59.9 (55.7) million. The revenue of Port Operations was EUR 45.4 (43.6) million. Cargo volumes were somewhat lower along with Finland's export and import volumes, which resulted in a lower turnover in the Shipping and Sea Transport Services segment. In Port Operations, the revenue continued to rise due to increased cargo handling activities. The internal revenue between the segments was EUR 21.5 (21.4) million. The result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 169.8 (166.4) million, an increase of 2.1%. Net financial expenses decreased to EUR -7.5 (-10.1) million. Financial income was EUR 0.3 (0.4) million and financial expenses EUR -7.7 (-10.5) million.

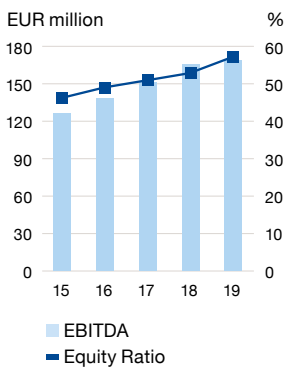
The Finnlines Group's result for the reporting period

increased to EUR 98.3 million from the previous year's EUR 95.1 million. The result improvement was actually EUR 8.2 million because the 2018 result included a gain on sale of EUR 5.1 million on MS Finncarrier vessel. 2019 showed again that our hard work on improving efficiency in several areas paid off. The 2019 result follows our successful track record over the past years and was Finnlines' best ever result in our 72 years of operation.

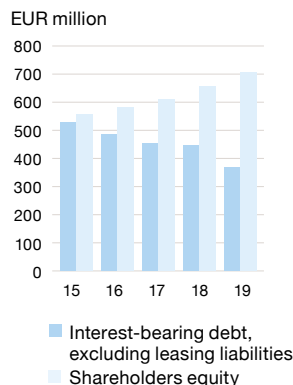
Increasing efficiency

We achieved most of our targets and ensured improvement in Finnlines' operational performance. We will continue to focus on our basic principles, i.e. cost controlling and cost reductions. In other words, whenever and wherever possible, we will go through every function and every cost item in order to find out if there is room for further improvement. Apart from operational efficiency, we can really improve our cost-efficiency through investments, including propulsion investments, lengthening vessels, not to mention our EUR 0.5 billion newbuilding programme to order five ultra green vessels with state-of-the-art technology in fuel economy. Hydrodynamic hull design, air lubrication system, propeller and rudder systems, digitalised monitoring systems – everything will contribute to improving our efficiency and, thus, our competitiveness.

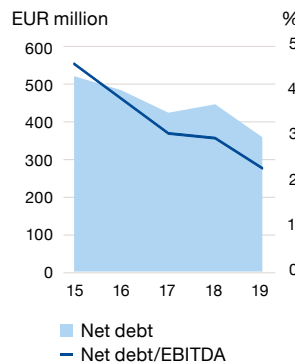
EBITDA and Equity Ratio



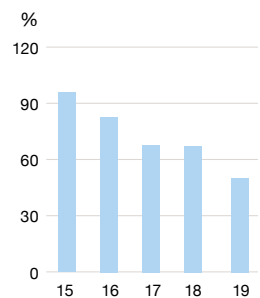
Interest-bearing Debt and Shareholders Equity



Net Debt/EBITDA Development



Net gearing



“A strong focus on energy efficiency and emission reduction goes together with improving our return on the capital employed on our fleet.”

Over the years, we have made, substantial investments in our existing fleet, both environmental and capacity related. The Finnlines Group's return on capital employed (ROCE) remained at a good level being 9.5% (9.6%). We have invested in emission abatement technology covering almost all our vessels. A year ago, we completed our Energy Efficiency Programme where we lengthened six of our ro-ro vessels. After lengthening, considerably more cargo can be loaded onboard a ship, bringing online another 6,000 lane metres of rolling cargo – this equals two sizeable vessels. These investments have contributed to our sustainable development and, for example, fuel consumption per transported ton has decreased when considerably more cargo can be loaded onboard a ship. Moreover, these investments allow us to benefit from economies of scale.

Investing for growth and sustainability

Finnlines has done a lot to ensure that our financial and operational performance is excellent. The Finnlines Group's financial solidity is sound. The strategic, systematic actions we took during 2019 laid the foundation for continued improvements in the future. To further improve our profitability, we have set aside EUR 500 million for our newbuilding programme. A strong focus on energy efficiency and emission reduction goes together with improving our return on the capital employed on our fleet and being a partner of choice to our customers.

At present, we have two major newbuilding projects ongoing in which the Grimaldi Group's and Finnlines' highly skilled employees have contributed to making these vessels flagships, both in terms of size and technology. The economies of scale have been one of the key measures in our strategy for sustainable development, and a great contributor to obtain environmental benefits. The future new vessels will use lithium-ion battery systems that enables zero-emission operations in port. Various innovations in environmental technology will improve the energy efficiency of the ves-

sels and reduce emissions further.

It is particularly worth highlighting the increased vessel capacity. While Finnlines' transportation capacity has remained quite unchanged compared to 2008, the average ro-ro vessel capacity has grown over 80% and the number of ro-ro vessels needed has reduced by 40%. To give a rough comparison, one of our newbuilding ro-ro vessels almost equals in size to two of our existing ro-ro vessels.

Capital structure

Net cash generated from operating activities remained strong and was EUR 173.6 (144.1) million. The interest-bearing debt decreased by EUR 80.6 million to EUR 372.2 (452.8) million, excluding leasing liabilities of EUR 19.3 (0.0) million. Leasing liabilities increased due to implementation of IFRS 16. Net interest-bearing debt at the end of period was EUR 363.0 (450.9) million. Net interest-bearing debt/EBITDA (rolling 12 months) ratio amounted to 2.1 (2.7) and the equity ratio calculated from the balance sheet was 58.5% (53.3%). Net gearing resulted in 50.8% (68.1%).

The Group has financial flexibility through strong liquidity position which at the end of the period, with cash and cash equivalents together with unused committed credit facilities, amounted to EUR 164.2 (154.5) million.

Finnlines is fully owned by the Grimaldi Group, which is a multinational logistics group specialising in the operation of roll-on/roll-off vessels, car carriers and ferries. Being at the absolute forefront in efficiency and sustainability, and belonging to one of Europe's largest ro-ro and ro-pax companies, the Grimaldi Group, Finnlines has the required financial flexibility to invest close to EUR 0.5 billion in the ultra green vessels in the coming years and safeguard its competitive position among its peers through our growth strategy.

Tom Pippingsköld





We optimise our daily operations, enhance the use of our fleet and the return on capital employed and, more importantly, invest in green technology beyond regulatory guidelines.

Business concept, values and strategic goals

Business concept

Finnlines promotes international commerce by providing efficient, high-quality sea transport and port services, mainly to meet the requirements of the European industrial, commercial and transport sectors and private passengers.

Financial goals

Finnlines' objective is to guarantee long-term profitability through high-quality operations, to generate added value for its shareholders and to maintain a healthy capital structure. The Board of Directors bases its annual dividend proposal on the Company's capital structure, future outlook, and investment and development needs.

Values

Customer focus

Our customers choose us thanks to our competence, expertise and reliability. Satisfied customers are the basis for Finnlines' enduring success. By identifying its cargo customers' and passengers' needs, the Company can continuously develop its service products and generate concrete added value for its customers.

Responsibility

We adhere to the principles of sustainable development. Environmental responsibility forms part of our Company's everyday operations. We take safety issues into consideration in all our operations.

Profitability

We achieve our objectives. Through the quality of our business operations, we are able to guarantee long-term profitability and generate added value.

Employee satisfaction

Finnlines is a reliable and motivating employer, which treats its employees with fairness and equality, rewarding the merit.

Strategic goals

A stronger position in the Baltic Sea and the North Sea cargo traffic

- We invest in the operational efficiency of our current transport areas.
- We will open new routes according to market opportunities.
- We are actively involved in the growing consolidation of the sector.
- We increase Group-wide network synergies beyond the core of today.

A stronger position in the Baltic Sea passenger traffic

- We offer quick and effortless travel between Finland, Sweden and Germany to our passengers on our large and efficient ro-pax vessels.
- We offer the most eco-friendly choice for passengers to travel between Finland, Sweden and Germany.

A stronger position in Russian freight traffic

- We are the leading shipping company in transit traffic.
- We actively develop and market direct transport routes between Continental Europe and Russian Baltic ports.

Growing profitability

- We strive to improve our productivity. One of the main ways of doing this is to focus on routes where the vessels' capacity utilisation is as high as possible in both directions.
- We will increase the efficiency of our operational systems and information management with data-driven analysis.
- We take proper care of environmental and safety issues.
- We invest in staff competence.

Shipping is the most environmentally friendly transport mode – we provide efficient shipping services with more than 170 freight and 80 passenger departures a week.



Business environment

Finnlines operates in the Baltic Sea, the North Sea and the Bay of Biscay. Maritime transport is vital to Finland's foreign trade, as about 90% of Finnish imports and exports are transported by sea. Processed products, in particular, require modern, frequent and regular liner traffic services. The business is supported by the Group's information management, which enables efficient business operations and provides relevant data to the organisation and Finnlines' customers.

Fleet

Finnlines continues to deploy larger and larger vessels in both the ro-pax and ro-ro segments, thus creating better economies of scale. The Company has ordered three modern, green ro-ro vessels to add 17,500 lane metres to its services. Further, Finnlines has ordered two eco-efficient Superstar ro-pax vessels. With a cargo capacity of 5,100 lane metres and passenger capacity of 1,100, they will be Finnlines' flagships both in terms of size and technology. The first ro-ro vessel is expected to start operation in 2021, and the other two in the first half of 2022. The Superstar ro-pax vessels are expected to be delivered by 2023. These major investments will keep Finnlines running one of the most modern, efficient and ecological fleets in the Baltic and North Sea areas.

MS Finnsea was chartered out to the Grimaldi Group in the beginning of April. During 2019, there were no other major changes in Finnlines fleet.

At the end of the year, the number of owned vessels was 21, of which two were chartered out (MS Finnsea and MS Finnclipper). The total capacity of the fleet was approximately 73,000 lane metres; 33,000 metres on ro-pax vessels and the remaining 40,000 on ro-ro vessels.

The average age of the Group's vessels was about 14 years.

Route network

During 2019, Finnlines retained its position as a leading ro-ro shipping company in the Baltic Sea area.

Finnlines' ro-ro services in the Baltic and North Sea areas provide a backbone to Finnish industries' and trade's transportation needs. The services covered the Finnish ports of Uusikaupunki, Turku, Hanko, Helsinki and Kotka, offering connections with Russian, Estonian, Polish, German, Danish, British, Belgian and Spanish ports.

The route network also enabled cargo flows between Continental and British ports and Russia, as well as offered the wide Grimaldi shortsea and deep-sea network for Finnlines' customers' use.

The high frequency ro-pax lines cover the services between Finland and Sweden (FinnLink), Finland and Germany (HansaLink) and Sweden and Germany (NordöLink).

The service between Germany and Russia was merged with the more extensive service between Finland and the North Sea ports of Hull, Zeebrugge, Antwerp and Bilbao.



Shipping and sea transport services

Finnlines is one of the industry's leading players in the Baltic Sea, the North Sea and the Bay of Biscay. The strong position derives from the outstanding service which is based on the needs of our customers. High frequency, cargo capacity and information services offered by Finnlines contribute to flexibility, reliability and predictability to customers.

The economic growth in Finnlines' market area continued but slowed down slightly in the autumn due to global uncertainty factors. This materialised in the autumn as the outlook for southbound volumes declined. The looming Brexit and how it affects the overall economic situation in the UK and the European Union overall remains to be seen. The Finnlines result was negatively affected by the strikes and supporting actions causing a decline in cargo volumes as well as cancellations of vessel departures.

The Shipping and Sea Transport Services segment's revenues totalled EUR 550.9 (567.2 in 2018) million, and it employed 1,274 (1,326) people on average.

During January–December, the transports totalled about 738 (754) thousand cargo units, 166 (163) thousand cars (not including passengers' cars) and 1,113 (1,226) thousand tons of non-unitised freight. In addition, some 665 (655) thousand private and commercial passengers were transported.

The Baltic Sea and North Sea services

Ro-ro services' routes are ideally located for serving freight customers in the Baltic Sea and North Sea areas. Traffic was operated with some ten modern ro-ro vessels catering for lorries, trailers, other mobile cargo, containers and break bulk.

HansaLink

HansaLink consisted of three Star class ro-pax vessels plying between Helsinki and Travemünde. HansaLink retained its strong position as the largest carrier of unitised cargo volumes between Germany and Finland. For passengers it was the only direct connection by sea between Finland and Continental Europe. The traffic was operated with seven weekly departures in both directions with a fast sailing time of less than 30 hours.

NordöLink

NordöLink runs a ro-pax service between Malmö and Travemünde. The three vessels, MS Finnpartner, MS Finntrader and MS Europalink, made 19 weekly departures in both directions with an average intake capacity of about 110,000 lane metres per week. The non-freight passenger traffic's turnover continued its positive trend and improved by 4%.

FinnLink

FinnLink between Naantali and Kapellskär operated with two ro-pax vessels, the Star class vessel MS Finnswan and the Clipper class vessel MS Finnfellow. These ships served unitised cargo traffic with a total of 14 weekly departures in each direction. The fast eight-hour voyage and the service's schedule, tailored to the needs of freight customers, have maintained the competitiveness of the route. The Star class vessel that entered service in 2018 brought 30% additional capacity to the route. The market has very much appreciated the capacity increase and the improved standard of services onboard. The calls at the port of Långnäs in the Åland Islands were continued throughout the year with duty-free shopping onboard.

Finnlines RUS service

During 2019, the service formerly known as TransRussiaExpress was renamed Finnlines RUS. The service operates as part of the North Sea services regularly from Lübeck, Antwerp and Bilbao to St.Petersburg, Port Bronka and vice versa, offering one weekly departure in each direction. Throughout the year, the line operated with pure ro-ro vessels. The calls at the port of Kotka on the westbound leg on the way from Bronka to Lübeck continued throughout the year on a weekly basis, with a temporary exception of a few weeks during the last quarter.



We invest in the highest passenger comfort – our new Superstar vessels will take our onboard customer experience to the next level.

Passenger services

With its eight ro-pax vessels, operating between six ports in three countries, Finnlines has upheld its position as an important provider of passenger services in the Baltic Sea.

Eco-friendly choice for passengers

Finnlines' ro-pax service combines cargo and passenger traffic in an eco-efficient way and the high utilisation rate in routes and vessels guarantees the possibility to travel in a sustainable and responsible way. The ro-pax vessels on Finnlines' Helsinki–Travemünde route provide a fast connection from Continental Europe to Finland. Various fresh and other products can be brought to the consumers as quickly as possible and at the same time the service is convenient and sustainable for passengers.

Strong and steady growth on all ro-pax routes

The total number of passengers transported on all routes (private and commercial) grew by 8% to 665 (655 in 2018) thousand passengers. The number of private passengers increased on all routes. The strongest growth was seen on the Germany–Sweden route, up by 10%, followed by the Finland–Germany route and the Finland–Sweden route tied at 9%.

Customer experience is key

With all vessels thriving in their new positions, Finnlines focused on creating a holistic customer experience from booking to port. The systematic feedback collected from our passengers helped us to improve processes and develop customer service and communication concepts. Management and specialist training on board and on shore elevated the level of customer care at Finnlines. Our customers choose us thanks

to our solid competence, extensive experience and strong reliability. 90% of private passengers would travel with us again and 91% would recommend us to relatives and friends.

Adding value

Investments in the current ro-pax fleet continued. The sauna area refurbishments on the Finland–Germany route and the expansion of the duty-free product range on the Finland–Sweden route improved the onboard customer experience and increased spending. The definite highlight of the year was the popular and warmly welcomed summer entertainment on the Finland–Germany route; the roster included clowns, magicians and musicians and the programme focused on families and especially our smallest travellers.

Finnlines continued with its digital transformation using digital technologies to create new business processes and customer experiences to meet the changing business and market requirements. With digital technology on our side, web bookings increased by 23% compared to the previous year. Digital transformation is a desired and shared vision that transcends traditional roles like sales, marketing and customer service. With the need for traditional marketing and booking channels decreasing, our goals include building an even stronger online presence. In the near future, we hope to provide our consumers and our partners with even better booking and customer experiences.





Port operations

The Group's Port Operations are handled by Finnsteve companies (Finnsteve, Containersteve and FS-Terminals). Finnsteve companies are a major port operator focused on unitised cargo services required by regular liner traffic in the ports of Helsinki, Turku and Naantali. Helsinki is Finland's most important export and import port for unitised goods, while Turku and Naantali have the fastest sea connections to Sweden.

In 2019, Finnlines' Port Operations generated revenues of EUR 45.4 (43.6 in 2018) million and employed 302 (311) people on average.

A new ERP system for unitised cargo was introduced at the beginning of 2018. Development of a system related to terminal operations continued and it was up and running during 2019.

In 2019, more energy-efficient property solutions were developed in the port operations, with special attention to the utilisation rate of the container equipment.

Port operations in Helsinki

The Vuosaari Harbour, which was opened at the end of 2008, has proved to be an efficient world-class port with its modern and advanced infrastructure. The operations of the Port are being developed and a considerable fairway deepening project will be launched in 2020. The project will increase the depth of the fairway

from 11 metres to 13 metres, thus enabling bigger ships to access the port.

The Company's four post-Panamax container gantry cranes have sufficient capacity and power to cope easily with future growth in container volumes. The export and import terminals allow cargo handling in all weather conditions.

The overall cargo volumes handled by Finnsteve companies in the Vuosaari Harbour increased from the previous year.

Port operations in Turku and Naantali

The Company operates mainly in the West Harbour. In addition, it has operations in the Base Harbour and in the port of Naantali.

The Company's Naantali operations provided services to the Group's FinnLink traffic between Naantali, Långnäs and Kapellskär.

We are dedicated to sustainable transport options and we are continuously developing our way of working.





Environment and safety

To contribute to combatting the global warming, the International Maritime Organization, IMO, has set an ambitious target for future carbon dioxide emissions. The target is to reduce CO₂ emissions from shipping by at least 50% by 2050 compared to 2008 regardless of growth in maritime trade. Knowing that technical and operational energy efficiency measures are necessary, the shipping industry has discussed short-, medium- and long-term candidate measures to reach the target.

Finnlines has been on the right path as the Company's fleet has cut its CO₂ emissions by around 30% compared to 2008.

In 2019, Finnlines' vessel traffic consumed 325,647 tons of heavy fuel oil and diesel oil, representing a decrease of nearly 3% compared with 2018.

Investments in sustainability

Finnlines continues to invest in energy efficiency and sustainability when new vessels are designed and built. On the future ro-ro and ro-pax vessels, technical

innovations include an air lubrication system, which will reduce friction and hydrodynamic resistance and, consequently, reduce fuel consumption and emissions. By installing a high-powered battery bank as well as preparing the vessels for shore-side electricity, Finnlines is well heading towards its target of reaching zero emissions in port. This does not only tackle the air pollutant emissions issue but also eliminates noise pollution which will be welcomed by Finnlines' stakeholders.

>>



Environment and safety (continued)

On the new ro-pax vessels, light management and ventilation will be designed to enhance energy efficiency even in changing conditions. Moreover, two-speed reduction gears will improve propulsion efficiency.

Other atmospheric emissions

Finnlines operates mainly in the Emission Control Areas, i.e. the Baltic Sea, the North Sea and the English Channel, where the sulphur content limit for ship fuel oil is 0.10% in accordance with the MARPOL Convention (The International Convention for the Prevention of Pollution from Ships). Globally, the sulphur limit decreased to 0.5% on 1 January 2020. Finnlines has been well prepared to comply with the regulation as nearly all our ships are fitted with sulphur emission abatement technology.

The North Sea and the Baltic Sea will constitute a nitrogen oxide (NOx) Emission Control Area (NECA) starting on 1 January 2021. The NOx limit will apply to vessels con-

structed (i.e. keel laying) after 1 January 2021 and NOx emissions will reduce by 80% compared with the present level.

Safety and security

The land-based ship management organisation and all the ships are certified in accordance with the ISM Code (International Management Code for the Safe Operation of Ships and for Pollution Prevention). All ships and port facilities also comply with the requirements of the ISPS Code (International Ship and Port Facility Security Code).

The ships are regularly inspected and audited by the maritime administration, classification societies and by in-house auditors. Regular drills are held both internally and with authorities, such as the coast guard, border guard and local city rescue departments.

In ports, stevedoring companies have safety systems, including communication and contingency plans in case of an accident. Ports are equipped to respond to fires and oil and chemical spills.

We take safety issues into consideration in all our operations.

Environmental certification

The environmental management system, which complies with the ISO 14001:2015 standard, is audited annually in the office and onboard ships. Certification covers management and manning of all ships in Finnlines' trade as well as purchasing, newbuildings and projects and cargo and ship operations.

Stakeholders

In environmental and safety matters, Finnlines' most important stakeholders are the flag and port state administration, owners, customers, port operators, classification society and contractors, as well as the inhabitants of harbour and fairway areas.

Finnlines is represented at the technical, safety and environmental committees under the Swedish and Finnish Shipowners' Associations and co-operates with maritime colleges and research centres. The Company is an associated organisation in the EU flagship project COMPLETE (Completing management options in the Baltic Sea Region to reduce risk of invasive alien species introduction by shipping).

Finnlines has also been involved in the real time algal monitoring project, Alg@line, on its Finland–Germany route for over 20 years, providing vessels for research purposes. In 2019, the instrumentation was renewed and the ro-pax ship MS Finnmaid hosts a comprehensive trace gas measurement system.

Legislation

IMO manages international legislation on safety and environmental matters. The MARPOL 73/78 Convention contains regulations on the disposal of waste and sewage into the sea, and on the prevention of air emissions. The SOLAS Convention regulates maritime safety and security matters, including ship construction, life-saving arrangements and navigation. Port operations comply with national and international legislation.

Two similar, although separate, regimes have been introduced to reduce the carbon footprint from shipping. In Europe, the EU regulation on the monitoring, reporting and verification of CO₂ emissions became fully effective in 2018. Ship owners and operators are required to report on fuel consumption and subsequent CO₂ emissions and transport work to the European Commission. Globally, IMO's Data Collection System started in 2019 and the first reports will be submitted during the spring of 2020.

To ensure safe and environmentally sound recycling of ships, a Hong Kong Convention has been adopted within IMO, but the Convention has not yet entered into force. This is why the EU has adopted a regulation on ship recycling and inventory of hazardous materials. Finnlines has made a contract to have the inventories made by hazardous material experts during 2020.

Ballast water management

Ballast water is used to trim and stabilise ships, but it may carry harmful aquatic species and out-compete native species, disrupting fragile marine ecosystems. Exchange of ballast water has been mandatory after the entry-into-force of the IMO Ballast Water Management Convention in 2017 if no treatment equipment has been installed. However, the Baltic Sea is an exception as it does not meet the requirement of distance from shore or depth of water. All ships must be fitted with treatment equipment during a transitional period, and Finnlines has installed its first equipment on a ro-pax ship in December 2019.

Other environmental aspects

Oily waste water, 'bilge water', is generated in engine rooms. Bilge water is separated in separators and the remaining sludge is always taken ashore. The limit for the oil content of water that may be discharged into the sea is 15 ppm but many of our ships have more efficient separators. Some bilge water is also pumped ashore.

MARPOL contains restrictions concerning black water, i.e. toilet water. Finnlines' ro-pax vessels land both black and grey water to onshore municipal sewage systems. Cargo ships are equipped with sewage treatment plants.

Finnlines co-operates with waste management companies to recycle waste in an efficient manner and waste is re-processed into material or recovered as energy. The main recyclable waste types generated on board include plastics, bio waste, glass, paper, cardboard, wood, and metal. Hazardous waste is separated and taken to a designated container in the port.

Chemicals and detergents may damage our health and the environment. In 2019, a new company-wide standard for chemicals was prepared and user instructions were updated to eliminate any hazards.

Environmental aspects in port operations

Finnsteve companies focus on enhancing energy savings and on reducing air emissions and waste generation in processes, in storage operations and maintenance of machines and properties. In 2019, energy audits, which comply with the Energy Efficiency Directive and Act, were made by external consultants to assess the existing energy saving potential. Finnsteve companies hold a valid ISO 14 001 environmental certificate and an ISO 9001 quality certificate.

In 2019, the fuel consumption of the port operations totalled 1,041 tons, which includes the operations in Helsinki, Turku and Naantali. The increase of 4.5% is due to growing cargo volumes.





Human resources

Finnlines is an international company employing over 1,500 people in seven countries. We are a reliable and motivating employer, which treats its employees with fairness and equality.

Regarding all personnel groups we continued to emphasise the importance of our employees' well-being, safety at work and work ability by investing in numerous relevant training courses and coaching customised to the changing needs. Especially leadership and IT skills training were in the focus.

We also continued to put emphasis on performance development. It is an integral part of the Company's incentive scheme and, from the point of view of our day-to-day operations, it has been implemented mostly through development of team cohesion, through job rotation, by investing in leadership and IT skills training, by ensuring good quality of recruitment processes and by supporting teams in adopting new practices. IT systems renewal continued and further developed our day-to-day working and performance. New Intranet was widely in use during 2019 which enhanced our in-

ternal communication, overall processes, quality management and induction.

The business volumes continued reaching high levels and we were pleased to see that progress. We are proud of the commitment of our professional personnel in managing the high volume business while actively participating in several development projects aimed at improving working methods, developing safety at work and quality of the work. We are also very pleased with the successful outcome in 2019, which was guaranteed by all these actions and together with our truly motivated and professional personnel.

Our Group's revenue/average number of employees in 2019 was EUR 365 (360 in 2018) thousand. EBIT/average number of employees was EUR 66 (64) thousand.

>>

Personnel figures

The Group employed an average of 1,576 (1,637) persons during the reporting period, consisting of 869 (916) persons at sea and 707 (721) persons on shore. The number of persons employed at the end of the period was 1,538 (1,590) in total, of which 858 (878) at sea and 680 (712) on shore.

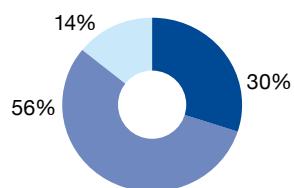
The personnel expenses (including social security costs) for the reporting period were EUR 88.7 (88.9) million.

Key figures	2019	2018
Average number of employees	1,576	1,637
Revenue/employee, EUR	364,800	360,010
Personnel expenses/employee, EUR	56,305	54,297
Result before taxes/employee, EUR	61,750	57,889
Average sickness absence of personnel, day/employee	11.9	11.6
Training days, total	1,518	1,463
Average number of employees per business area		
Shore-based personnel		
Shipping and Sea Transport Services	405	410
Port Operations	302	311
Sea personnel	869	916
Group, total	1,576	1,637

On 31 December 2019, the shore-based personnel amounted to 680 and sea personnel to 858, in total 1,538.

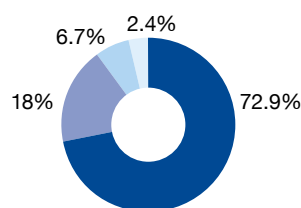
On 31 December 2018, the shore-based personnel amounted to 712 and sea personnel to 878, in total 1,590.

Employee categories as of 31 December 2019, %



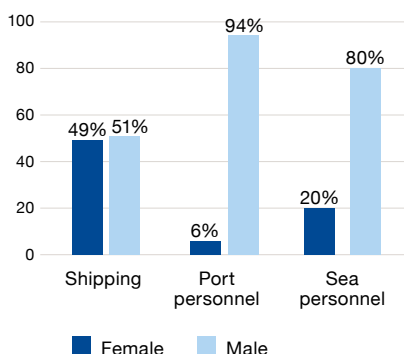
● Shore-based personnel excl. stevedores and foremen
● Sea personnel ● Stevedores and foremen

Personnel by country 2019, %



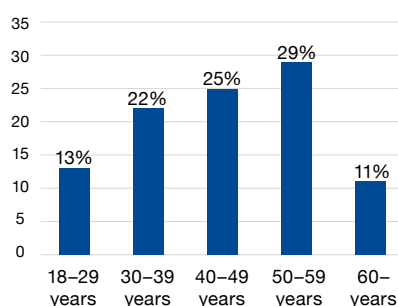
● Finland ● Sweden ● Germany ● Other

Gender distribution as of 31 December 2019, %

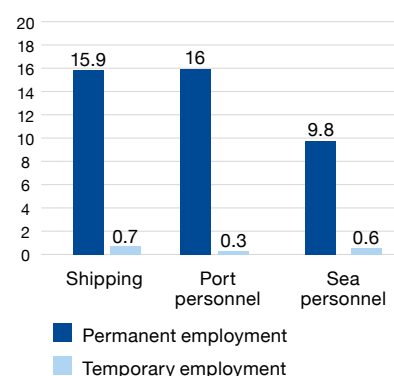


■ Female ■ Male

Breakdown by age as of 31 December 2019, %



Average length of employment as of 31 December 2019, years



■ Permanent employment
■ Temporary employment

FINANCIAL
STATEMENTS

2019



Board of Directors' Report

Finnlines' business

Finnlines is a leading shipping operator of ro-ro and passenger services in the Baltic Sea, the North Sea and the Bay of Biscay. The Company's passenger-freight vessels offer services from Finland to Germany and via the Åland Islands to Sweden, as well as from Sweden to Germany. Finnlines' ro-ro vessels operate in the Baltic Sea, the North Sea and the Bay of Biscay. The Company has subsidiaries or sales offices in Germany, Belgium, Great Britain, Sweden, Denmark and Poland, which all are also sales offices. In addition to sea transportation, the Company provides port services in Helsinki and Turku.

As an agent for Grimaldi Lines and Atlantic Container Line (ACL) in Finland and Russia, Finnlines connects Helsinki, St. Petersburg and Paldiski with the Grimaldi Group network in the Mediterranean, West Africa, as well as the Atlantic coast of both North and South America.

Group structure

Finnlines Plc is a Finnish public limited company, which operates under Finnish jurisdiction and legislation. At the end of the reporting period, the Group consisted of the parent company and 19 subsidiaries.

Finnlines Plc is fully owned by the Grimaldi Group, which is one of the world's largest operators of ro-ro vessels and the largest operator of the Motorways of the Sea in Europe for both passengers and freight. The Grimaldi Group, headquartered in Naples, operates a fleet of more than 120 vessels and employs approximately 16,000 people. It serves over 120 ports in 50 countries in the Mediterranean Sea, North Europe, West Africa, North and South America. The Grimaldi Group comprises seven shipping companies, including Finnlines, Atlantic Container Line (ACL), Malta Motorways of the Sea (MMS) and Minoan Lines.

General market development

Based on the statistics by Traficom for January–December, the Finnish seaborne imports carried in container, lorry and trailer units (measured in tons) decreased by 3%. Exports remained at the same level as previous year. During the same period, private and commercial passenger traffic between Finland and Sweden decreased by 1%. Between Finland and Germany, the corresponding traffic increased by 4% (Traficom).

Finnlines' traffic

During the reporting period, Finnlines operated on average 20 (20) vessels in its own traffic.

At the beginning of January 2019, Finnlines redelivered MS Finncarrier from a temporary bareboat charter arrangement back to its owners, when the last lengthened vessel, MS Finnsea, returned to traffic after conversion at the end of 2018. Since then all six lengthened vessels of the Breeze series have been deployed in Finnlines traffic.

Finnlines reshuffled its Biscay–Russia services at the middle of April and at the same time, MS Finnsea was chartered out to the Grimaldi Group.

In November, several sailings were cancelled nearly in all traffic areas due to the postal strike in Finland and the seven-day supporting action of Finnish Seafarers' Union FSU. The main impacts hit the Helsinki–Travemünde and Naantali–Kapellskär traffics. The Industrial Workers Union's strike lasting three days followed by a six-day lockout in mechanical forest industry in December also affected cargo volumes negatively in Finnish traffics.

The cargo volumes transported during January–December totalled approximately 738 (754 in 2018) thousand cargo units, 166 (163) thousand cars (not including passengers' cars) and 1,113 (1,226) thousand tons of freight not possible to measure in units. In addition, some 665 (655) thousand private and commercial passengers were transported.

Financial results

The Finnlines Group recorded revenue totalling EUR 574.8 (589.4) million in the reporting period, a decrease of 2.5% compared to the same period in the previous year. Shipping and Sea Transport Services generated revenue amounting to EUR 550.9 (567.2) million, of which passenger related revenue was EUR 59.9 (55.7) million. The revenue of Port Operations was EUR 45.4 (43.6) million. The development of cargo volumes remained modest in most trades, while the amount of passengers has improved compared to last year. In Port Operations, the revenue continued to rise due to increase in cargo handling activities. The internal revenue between the segments was EUR 21.5 (21.4) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 169.8 (166.4) million, an increase of 2.1%.

Result before interest and taxes (EBIT) was EUR 104.8 (104.9) million. A strong financial performance is supported by optimised usage of vessel capacity. Also the chartering of MS Finnsea to the Grimaldi Group enabled savings in operative costs. The result of the fourth quarter was negatively affected by the strikes and supporting actions causing a decline in cargo volumes as well as cancellations of vessel departures. The result of 2018 includes the gain on sale of EUR 5.1 million for MS Finncarrier.

As a result of the improved financial position, net financial expenses decreased to EUR -7.5 (-10.1) million. Financial income was EUR 0.3 (0.4) million and financial expenses EUR -7.7 (-10.5) million. Result before taxes (EBT) improved by EUR 2.5 million and was EUR 97.3 (94.8) million. The result for the reporting period was EUR 98.3 (95.1) million.

The most important business and share related key indicators are presented in the Five-Year Key Figures on page 37.

Statement of financial position, financing and cash-flow

The Company completed the Energy Efficiency and Emission Reduction Investment Programme and interest-bearing debt decreased by EUR 80.6 million to EUR 372.2 (452.8) million, excluding leasing liabilities of EUR 19.3 (0.0) million. Leasing liabilities increased due to implementation of IFRS 16. Net interest-bearing debt at the end of period was EUR 363.0 (450.9) million. Net interest-bearing debt/EBITDA (rolling 12 months) ratio amounted to 2.1 (2.7) and the equity ratio calculated from the balance sheet was 58.5% (53.3%). Net gearing resulted in 50.8% (68.1%).

The Group's liquidity position is strong and at the end of the period, cash and cash equivalents together with unused committed credit facilities amounted to EUR 164.2 (154.5) million.

Net cash generated from operating activities remained strong and was EUR 173.6 (144.1) million.

Capital expenditure

The Finnlines Group's gross capital expenditure in the reporting period totalled EUR 31.4 (135.4) million, including tangible and intangible assets. Total depreciation and amortisation amounted to EUR 65.1 (61.5) million. The investments consist of normal replacement expenditure of fixed assets, lengthening of ro-ro vessels, new cargo handling equipment, dry-dockings, and prepayments related to three green ro-ro newbuildings.

The six lengthened vessels have added some 7,000 lane metres to the total fleet capacity and enables Finnlines to benefit from increased economies of scale, since the added capacity equals to two extra vessels. Taken into account also the ro-pax refurbishment investments the Company has made for improving passenger comfort and service, these investments have positively impacted Finnlines' position as one of the top tier providers of high-quality ro-ro and ro-pax services in the Baltic Sea region.

Finnlines has also focused on the shore side operations as well as developing innovative port service solutions. The unique patented cargo handling equipment shortens turnaround times in port and improves Finnlines' safe, reliable and efficient services.

Personnel

The Group employed an average of 1,576 (1,637) persons during the reporting period, consisting of 869 (916) persons at sea and 707 (721) persons on shore. The number of persons employed at the end of the period was 1,538 (1,590) in total, of which 858 (878) at sea and 680 (712) on shore. The number of sea personnel decreased due to the bareboat charter out of MS Finnclipper since June 2018 and due to the delivery of MS Finncarrier in January 2019.

The personnel expenses (including social costs) for the reporting period were EUR 88.7 (88.9) million.

The Finnlines share

The Company's paid-up and registered share capital on 31 December 2019 totalled EUR 103,006,282. The capital stock consisted of 51,503,141 shares.

Finnlines Plc is fully owned by the Grimaldi Group.

The shares and shareholders are dealt with in more detail in the Notes to the Consolidated Financial Statements, in Note 38. Shares and shareholders.

Decisions taken by the Annual General Meeting

Finnlines Plc's Annual General Meeting was held in Helsinki on 7 May 2019. The Annual General Meeting of Finnlines Plc approved the Financial Statements and discharged the members of the Board of Directors and President and CEO from liability for the financial year 2018. The meeting approved the Board of Directors' proposal to pay a dividend of EUR 1.00 per share, resulting in a total amount of dividends of EUR 51,503,141.

The meeting decided that the number of Board Members be nine. The meeting re-elected the current board members Christer Backman, Tiina Bäckman, Emanuele Grimaldi, Gianluca Grimaldi, Guido Grimaldi, Mikael Mäkinen, Diego Pacella, and Jon-Aksel Torgersen and elected Tapani Voionmaa as a new member of the Board for the term until the close of the Annual General Meeting in 2020. The yearly compensation to the Board will remain unchanged as follows: EUR 50,000 for the Chairman, EUR 40,000 for the Vice Chairman, and EUR 30,000 for each of the other members of the Board.

The Annual General Meeting elected KPMG Oy Ab as the Company's auditor for the fiscal year 2019. It was decided that the external auditors will be reimbursed according to invoice.

Risks and risk management

Finnlines is exposed to business risks that arise from the capacity of the fleet existing in the market, counterparties, prospects for export and import of goods, and changes in the operating environment. The risk of overcapacity is reduced through scrapping of aging vessels, on the one hand, and the more stringent environmental requirements, on the other.

Stricter environmental regulations (e.g. NOx, SOx and CO₂ emission, wastewater and ballast water regulations) are the risk factors that could affect the Group's business. However, with one of the youngest and largest fleets in Northern Europe and with investments in engine systems and energy efficiency, Finnlines is in a strong position to greatly mitigate this risk.

The effect of fluctuations in the foreign trade is reduced by the fact that the Company operates in several geographical areas. This means that slow growth in one country is compensated by faster recovery in another. Finnlines continuously monitors the solidity and payment schedules of its

customers and suppliers. Currently, there are no indications of imminent risks related to counterparties but the Company continues to monitor the financial position of its counterparties. Finnlines holds adequate credit lines to maintain liquidity in the current business environment.

More detailed information on Finnlines' financial risks and risk management can be found in the Notes to the Consolidated Financial Statements, in Note 34. Financial Risk Management. The risk management procedures of the Company are presented in more detail on the Company's website under Corporate Governance.

Legal proceedings

Finnlines is involved in a few legal proceedings and disputes whose outcome cannot be predicted, but taking into account the information that is available at present, their outcome is not expected to have any substantial impact on the Group's profit.

Tonnage taxation

Finnlines Plc entered into the Finnish tonnage taxation regime as from 1 January 2013. In tonnage taxation, the shipping operations transferred from taxation of business income to tonnage-based taxation. Finnlines Deutschland GmbH exited from the German tonnage tax scheme and transferred to business taxation on 1 February 2014.

Research and development

The aim of Finnlines' research and development work is to find and introduce new practical models and operating methods, which enable the Company to meet customer requirements in a more sustainable and cost-efficient way. In 2019, the focus continued to be on environmental investments in vessels and on improving their energy efficiency.

Construction of three ice-class newbuildings was planned within the Grimaldi Group and in 2018 an order was placed for their delivery to Finnlines' traffic starting from 2021. Their design and size mean that they will be among the most fuel-efficient on the market.

The concept planning of a new series of Superstar ro-pax vessels continued in 2019. The target of the planning has been to create the most environmentally friendly ship design ever operated in the Baltic Sea. To reach this goal, Finnlines' and Grimaldi's experts are working in close cooperation with the world's leading companies in this field. Automated berthing solutions for these vessels are also under investigation. An automatic mooring system will reduce the harbour manoeuvring time and thus also shorten the sea voyage time, resulting in lower speed and less emissions. The order for these Superstar ro-pax vessels was confirmed in December 2019.

2019 also saw the continuation of harmonisation of the information systems in various services within the Finnlines Group and in the framework of the entire Grimaldi Group network.

Programming Interfaces (API) for truck companies were implemented in 2018 and API development continued in 2019.

A new Onboard Point of Sales System was created for the Passenger Services onboard vessels and introduced to the FinnLink traffic at the end of 2018. In 2019, the system was further developed and extended to other ro-pax routes.

Development of a new operative ERP system for vessel traffic management, which started in 2017, was continued by adding new functionalities to the system. The main focus in 2019 was, among other things, on further development of emissions calculation, on development of cargo loading management, and on development of National Single Window (NSW) authority reporting from vessels. Development work will be continued in 2020.

In the ports, the focus in 2019 was on further improving the features of the new Terminal Operations System. A new Operative System for the Paper Stuffing Terminal was developed. In spring 2019, a new Terminal Operations System and a new invoicing system were put into use in the Port of Turku.

Developing a new resource management system for port operations was continued and the system is planned to be implemented at the beginning of 2020.

Environment and safety

To fight the climate change, the shipping industry has set an ambitious target to reduce its CO₂ emissions by at least 50% by 2050 compared to the 2008 baseline regardless of growth in maritime trade. Finnlines has been on the right path as the Company's fleet has cut its CO₂ emissions by over 30% compared to 2008.

Finnlines continues to invest in energy efficiency and sustainability when new vessels are designed and built. The technical innovations include an air lubrication system, a high-powered battery bank and shore-side electricity. The target is to reach zero emissions during port calls.

The first emission reports in accordance with the EU MRV regulation (monitoring, reporting and verification of CO₂ emissions) were submitted to the European Commission in 2018. Globally, IMO's Data Collection System started in 2019 and the first reports will be presented during spring 2020.

The global sulphur limit of fuel decreased from 3.5% to 0.5% on 1 January 2020. As nearly all Finnlines ships have been fitted with sulphur emission abatement technology, the Company is well prepared for the regulation.

To ensure safe and environmentally sound recycling of ships, IMO has adopted a Hong Kong Convention. As the convention has not yet been ratified, EU has adopted a regulation on ship recycling and inventory of hazardous materials. Finnlines has made a contract to have the inventories made on its ships by hazardous material experts during 2020.

In accordance with the Ballast Water Management Convention, all ships of 400 gross tonnage and above must be fitted with treatment equipment during a transitional period. Finnlines will install its first equipment on two ro-pax ships during 2020.

In 2019, Finnlines' vessel traffic consumed 325,647 tons of heavy fuel oil and diesel oil, representing a decrease of nearly 3% compared with 2018.

The fuel consumption in Finnsteve's port operations totalled 1,041 tons, which includes the operations in Helsinki, Turku and Naantali. The increase of 4.5% is due to growing cargo volumes.

Sustainability reporting

Finnlines' sustainability reporting includes, in addition to financial figures, key indicators related to the employees and the environment.

Finnlines' sustainability reporting is part of the Grimaldi Group's Sustainability Report which is available on the Grimaldi Group's website: www.grimaldi.napoli.it.

Corporate Governance

The Corporate Governance Statement can be reviewed on the Company's website: www.finnlines.com.

Events after the reporting period

There are no significant events to report.

Outlook and operating environment

The Company has invested over EUR 1 billion through the years and the ongoing EUR 500 million newbuilding programme focuses on improving Finnlines' productivity and environmental footprint. Along with all the actions taken in order to increase the Company's efficiency and operational and financial performance, it is expected that the Finnlines Group's result before taxes continues to follow the previous year's level.

Dividend distribution proposal

The parent company Finnlines Plc's result for the reporting period was EUR 81.7 million. The distributable funds included in the parent company's shareholders' equity equals to EUR 443.5 million at the end of the reporting period. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.00 per share be paid out resulting in a total amount of proposed dividends of EUR 51,503,141.

According to the consolidated statement of financial position, the equity attributable to parent company shareholders equals EUR 714.6 (662.1) million at the end of the reporting period.

Naples, 26 February 2020

Finnlines Plc, The Board of Directors

Consolidated Statement of Comprehensive Income, IFRS

EUR 1,000	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018
Revenue	574,779	589,444
Other income from operations	1,516	6,361
Materials and services	-180,806	-199,436
Personnel expenses	-88,714	-88,901
Depreciation, amortisation and impairment losses	-65,065	-61,458
Other operating expenses	-136,956	-141,117
Total operating expenses	-471,541	-490,913
Result before interest and taxes (EBIT)	104,754	104,893
Financial income	286	353
Financial expenses	-7,746	-10,464
Result before taxes (EBT)	97,293	94,782
Income taxes	964	349
Result for the reporting period	98,258	95,131
Other comprehensive income:		
Other comprehensive income to be reclassified to profit and loss in subsequent periods:		
Exchange differences on translating foreign operations	34	-8
Fair value change on currency derivatives	6,061	3,562
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	6,095	3,554
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total		
Remeasurement of defined benefit plans	-400	183
Tax effect, net	83	0
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total	-317	183
Total comprehensive income for the reporting period	104,036	98,869
Result for the reporting period attributable to:		
Parent company shareholders	98,258	95,131
	98,258	95,131
Total comprehensive income for the reporting period attributable to:		
Parent company shareholders	104,036	98,869
	104,036	98,869
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share)		
Undiluted / diluted earnings per share	1.91	1.85

Most of the items recognised in the Consolidated Statement of Comprehensive Income fall under the tonnage tax scheme.

Consolidated Statement of Financial Position, IFRS

EUR 1,000	31 Dec 2019	31 Dec 2018
ASSETS		
Non-current assets		
Property, plant and equipment	979,741	990,404
Goodwill	105,644	105,644
Other intangible assets	3,958	4,243
Other financial assets	7,072	7,253
Receivables	10,658	4,945
Deferred tax assets	2,940	3,650
	1,110,013	1,116,139
Current assets		
Inventories	6,152	7,738
Accounts receivable and other receivables	86,916	105,072
Income tax receivables	2	4
Cash and cash equivalents	9,208	1,850
	102,277	114,664
Non-current assets held for sale	14,610	15,121
Total assets	1,226,901	1,245,924
EQUITY		
Equity attributable to parent company shareholders		
Share capital	103,006	103,006
Share premium account	24,525	24,525
Translation differences	140	119
Fund for invested unrestricted equity	40,016	40,016
Fair value reserve *	9,623	3,562
Retained earnings	537,309	490,858
	714,620	662,087
Non-controlling interests	0	0
Total equity	714,620	662,087
LIABILITIES		
Long-term liabilities		
Deferred tax liabilities	46,423	48,392
Pension liabilities	3,442	3,256
Provisions	1,697	1,730
Loans from financial institutions	219,643	275,659
	271,206	329,036
Current liabilities		
Accounts payable and other liabilities	68,975	77,391
Current tax liabilities	8	25
Provisions	253	256
Loans from financial institutions	171,840	177,129
	241,075	254,801
Total liabilities	512,281	583,837
Total shareholders' equity and liabilities	1,226,901	1,245,924

* Fair value reserve consists of fair value of effective part of foreign currency forward contracts, for which hedge accounting is applied.

This page is an extract of the audited Financial Statements. The complete audited Financial Statements of the Group and the parent company are available at www.finnlines.com. The extracts of the audited Financial Statements presented in the Annual Report should be viewed together with the complete and audited Financial Statements.

Consolidated Statement of Changes in Equity, IFRS

EUR 1,000	Equity attributable to parent company shareholders							Non-controlling interests	Total equity
	Share capital	Share issue premium	Translation differences	Unrestricted equity reserve	Fair value reserve	Retained earnings	Total		
Reported equity 1 January 2018	103,006	24,525	124	40,016		447,049	614,721	127	614,848
Comprehensive income for the reporting period:									
Result for the reporting period						95,131	95,131	0	95,131
Exchange differences on translating foreign operations			-5			-3	-8		-8
Fair value change on currency derivatives					3,562		3,562		3,562
Remeasurement of defined benefit plans						183	183		183
Total comprehensive income for the reporting period	0	0	-5	0	3,562	95,311	98,869	0	98,869
Dividend						-51,503	-51,503		-51,503
Changes in non-controlling interests holdings								-127	-127
Equity 31 December 2018	103,006	24,525	119	40,016	3,562	490,858	662,087	0	662,087

EUR 1,000	Equity attributable to parent company shareholders							Non-controlling interests	Total equity
	Share capital	Share issue premium	Translation differences	Unrestricted equity reserve	Fair value reserve	Retained earnings	Total		
Reported equity 1 January 2019	103,006	24,525	119	40,016	3,562	490,858	662,087	0	662,087
Comprehensive income for the reporting period:									
Result for the reporting period						98,258	98,258	0	98,258
Exchange differences on translating foreign operations			21			13	34		34
Fair value change on currency derivatives					6,061		6,061		6,061
Remeasurement of defined benefit plans						-400	-400		-400
Tax effect, net						83	83		83
Total comprehensive income for the reporting period	0	0	21	0	6,061	97,954	104,036	0	104,036
Dividend						-51,503	-51,503		-51,503
Equity 31 December 2019	103,006	24,525	140	40,016	9,623	537,310	714,620	0	714,620

This page is an extract of the audited Financial Statements. The complete audited Financial Statements of the Group and the parent company are available at www.finnlines.com. The extracts of the audited Financial Statements presented in the Annual Report should be viewed together with the complete and audited Financial Statements.

Consolidated Statement of Cash Flows, IFRS

EUR 1,000	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018
Cash flows from operating activities		
Result for reporting period	98,258	95,131
Adjustments:		
Non-cash transactions	64,408	56,086
Unrealised foreign exchange gains (-) / losses (+)		1
Financial income and expenses	7,461	10,110
Taxes	-964	-349
Changes in working capital:		
Change in accounts receivable and other receivables	18,481	-6,905
Change in inventories	1,586	-1,398
Change in accounts payable and other liabilities	-8,024	2,590
Change in provisions	151	-358
Interest paid	-5,714	-7,619
Interest received	35	46
Taxes paid	-225	-162
Other financing items	-1,845	-3,084
Net cash generated from operating activities	173,609	144,093
Cash flows from investing activities		
Investments in tangible and intangible assets	-31,357	-135,315
Sale of tangible assets *	252	16,291
Proceeds from sale of non-controlling interests	287	0
Net cash used in investing activities	-30,818	-119,024
Cash flows from financing activities		
Loan withdrawals	76,000	76,455
Net increase in current interest-bearing liabilities (+) / net decrease (-)	0	13,227
Repayment of loans	-156,948	-95,020
Acquisition of non-controlling interests		-2,672
Payment of lease liabilities (2018 Payment of finance lease liabilities)	-2,983	-668
Dividends paid	-51,503	-51,503
Net cash used in financing activities	-135,434	-60,182
Change in cash and cash equivalents	7,356	-35,113
Cash and cash equivalents 1 January	1,850	36,965
Effect of foreign exchange rate changes	2	-2
Cash and cash equivalents 31 December	9,208	1,850

* Includes sale of one vessel in 2018.

Profit and Loss Account, Parent Company, FAS

EUR	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018
Revenue	452,614,147.37	466,251,115.29
Other income from operations	3,271,886.40	8,999,827.83
Materials and services	-170,488,845.38	-186,132,479.17
Personnel expenses	-45,189,675.88	-43,689,539.79
Depreciation, amortisation and other write-offs	-33,289,780.55	-30,871,516.43
Other operating expenses	-122,481,919.37	-128,135,770.72
Operating profit	84,435,812.59	86,421,637.01
Financial income and expenses	-4,282,005.22	-6,511,729.72
Result before appropriations and taxes	80,153,807.37	79,909,907.29
Appropriations		
Group contributions	-2,300,000.00	-3,500,000.00
Replacement reserve change		15,856,097.83
Profit before tax	77,853,807.37	92,266,005.12
Other income taxes		
Tonnage tax	-82,586.41	-87,651.83
Deferred taxes	3,917,030.83	1,279,070.03
Result for the reporting period	81,688,251.79	93,457,423.32

This page is an extract of the audited Financial Statements. The complete audited Financial Statements of the Group and the parent company are available at www.finnlines.com. The extracts of the audited Financial Statements presented in the Annual Report should be viewed together with the complete and audited Financial Statements.

Balance Sheet, Parent Company, FAS

EUR	31 Dec 2019	31 Dec 2018
ASSETS		
Non-current assets		
Intangible assets	2,652,638.38	3,064,970.49
Tangible assets	649,785,989.43	656,945,334.90
Investments		
Shares in group companies	153,454,336.86	153,454,336.86
Other investments	7,051,920.55	7,283,460.55
Total non-current assets	812,944,885.22	820,748,102.80
Current assets		
Inventories	5,083,275.71	6,767,589.64
Long-term receivables	100,407,357.08	127,698,945.33
Short-term receivables	92,405,494.66	124,988,458.32
Bank and cash	8,383,032.69	896,549.94
Total current assets	206,279,160.14	260,351,543.23
Total assets	1,019,224,045.36	1,081,099,646.03
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	103,006,282.00	103,006,282.00
Share premium account	24,525,353.70	24,525,353.70
Fair value reserve	9,623,322.09	3,562,220.62
Unrestricted equity reserve	40,882,508.10	40,882,508.10
Retained earnings	320,892,350.57	278,938,068.25
Result for the reporting period	81,688,251.79	93,457,423.32
Total shareholders' equity	580,618,068.25	544,371,855.99
Statutory provisions		
Pension obligation	588,000.00	567,000.00
Liabilities		
Long-term liabilities		
Deferred tax liability	14,860,341.49	18,777,372.32
Interest-bearing	197,559,444.08	268,002,333.71
	212,419,785.57	286,779,706.03
Current liabilities		
Interest-bearing	174,547,027.88	187,990,578.64
Interest-free	51,051,163.66	61,390,505.37
	225,598,191.54	249,381,084.01
Total liabilities	438,017,977.11	536,160,790.04
Total shareholders' equity and liabilities	1,019,224,045.36	1,081,099,646.03

This page is an extract of the audited Financial Statements. The complete audited Financial Statements of the Group and the parent company are available at www.finnlines.com. The extracts of the audited Financial Statements presented in the Annual Report should be viewed together with the complete and audited Financial Statements.

Cash Flow Statement, Parent Company, FAS

EUR	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018
Cash flows from operating activities		
Result for the reporting period	81,688,251.79	93,457,423.32
Adjustments for:		
Depreciation, amortisation & impairment loss	33,289,780.55	30,871,516.43
Gains (-) and Losses (+) of disposals of fixed assets and other non-current assets	-192,450.15	-6,304,081.95
Financial income and expenses	4,282,005.22	6,511,729.72
Income taxes	-3,834,444.42	-1,191,418.20
Other adjustments	2,300,000.00	-12,356,097.83
	117,533,142.99	110,989,071.49
Changes in working capital:		
Change in inventories, addition (-) and decrease (+)	1,684,313.93	-1,464,577.16
Change in accounts receivable, addition (-) and decrease (+)	18,501,750.36	-6,952,914.69
Change in accounts payable, addition (+) and decrease (-)	-9,938,292.40	5,148,722.24
Change in provisions	21,000.00	-217,000.00
	10,268,771.89	-3,485,769.61
Interest paid	-5,630,146.77	-7,496,740.41
Dividends received	261.52	274,584.00
Interest received	2,647,415.37	3,484,627.08
Other financing items	-1,666,284.15	-2,818,920.83
Income taxes paid	-82,586.41	-86,087.11
	-4,731,340.44	-6,642,537.27
Net cash generated from operating activities	123,070,574.44	100,860,764.61
Cash flows from investing activities		
Investments in tangible and intangible assets	-25,566,452.97	-77,409,059.81
Proceeds from sale of tangible and intangible assets	136,990.15	15,404,578.11
Disposal of subsidiaries		60,000.00
Purchase of investments	287,000.00	-2,672,175.94
Change in internal loans (net)	47,247,952.52	10,164,696.86
Net cash used in investing activities	22,105,489.70	-54,451,960.78
Net cash before financing activities	145,176,064.14	46,408,803.83
Cash flows from financing activities		
Proceeds from short-term borrowings	1,279,714.73	17,022,101.09
Repayment of short-term borrowings	-14,723,265.50	-30,168,117.60
Proceeds of long-term borrowings	76,000,000.00	76,454,546.06
Repayment of long-term borrowings	-146,442,889.62	-89,367,115.60
Dividends paid	-51,503,141.00	-51,503,141.00
Group contributions	-2,300,000.00	-3,500,000.00
Net cash used in financing activities	-137,689,581.39	-81,061,727.05
Change in cash and cash equivalents	7,486,482.75	-34,652,923.22
Cash and cash equivalents on 1 January	896,549.94	35,549,473.17
Cash and cash equivalents on 31 December	8,383,032.69	896,549.94

This page is an extract of the audited Financial Statements. The complete audited Financial Statements of the Group and the parent company are available at www.finlines.com. The extracts of the audited Financial Statements presented in the Annual Report should be viewed together with the complete and audited Financial Statements.

Five-Year Key Figures

EUR million					
	2019 IFRS	2018 IFRS	2017 restated IFRS	2016 IFRS	2015 IFRS
Revenue	574.8	589.4	536.3	473.7	511.2
Other income from operations	1.4	6.4	2.6	6.7	1.8
Result before interest, taxes, depreciation and amortisation (EBITDA)	169.8	166.4	152.3	139.1	126.9
% of revenue	29.5	28.2	28.4	29.4	24.8
Result before interest and taxes (EBIT)	104.8	104.9	93.9	81.5	70.3
% of revenue	18.2	17.8	17.5	17.2	13.8
Result before taxes (EBT)	97.3	94.8	82.4	67.0	53.2
% of revenue	16.9	16.1	15.4	14.1	10.4
Result for reporting period, continuing operations	98.3	95.1	82.6	68.1	56.8
% of revenue	17.1	16.1	15.4	14.4	11.1
Result for reporting period	98.3	95.1	82.6	68.1	56.8
% of revenue	17.1	16.1	15.4	14.4	11.1
Total investments *	31.4	134.0	48.9	46.3	64.1
% of revenue	5.5	22.7	9.1	9.8	12.5
Return on equity (ROE), %	14.3	14.9	13.7	11.9	10.7
Return on investment (ROI), %	9.5	9.6	8.7	7.4	6.5
Assets total	1,226.9	1,245.9	1,205.9	1,205.4	1,231.1
Equity ratio, %	58.5	53.3	51.1	48.9	45.7
Net gearing, %	50.8	68.1	68.9	83.8	97.1
Average no. of employees	1,576	1,637	1,651	1,653	1,597
	2019 IFRS	2018 IFRS	2017 IFRS	2016 IFRS	2015 IFRS
Earnings per share (EPS), EUR	1.91	1.85	1.60	1.32	1.10
Earnings per share (EPS) less warrant dilution, EUR	1.91	1.85	1.60	1.32	1.10
Shareholders' equity per share, EUR	13.88	12.86	11.94	11.42	10.89
Payout ratio, %	n/a	n/a	n/a	n/a	0.0
Effective dividend yield, %	n/a	n/a	n/a	n/a	0.0
Price/earnings ratio (P/E)	n/a	n/a	n/a	n/a	16.0
Adjusted average number of outstanding shares (1,000)	51,503	51,503	51,503	51,503	51,503
Adjusted number of outstanding shares 31 Dec (1,000)	51,503	51,503	51,503	51,503	51,503
Number of outstanding shares at year-end (1,000)	51,503	51,503	51,503	51,503	51,503

* Includes continuing and discontinuing operations.

Calculation of key ratios is presented on page 38.

Calculation of Key Ratios, IFRS

Earnings per share (EPS), EUR	=	$\frac{\text{Result attributable to parent company shareholders}}{\text{Weighted average number of outstanding shares}}$	
Shareholders' equity per share, EUR	=	$\frac{\text{Shareholders' equity attributable to parent company shareholders}}{\text{Undiluted number of shares at the end of period}}$	
Payout ratio, %	=	$\frac{\text{Dividend paid for the year}}{\text{Result before tax +/- non-controlling interests of Group result +/- change in deferred tax liabilities - taxes for the period}}$	x 100
Effective dividend yield, %	=	$\frac{\text{Dividend per share}}{\text{Share price on stock exchange at the end of period}}$	x 100
P/E ratio	=	$\frac{\text{Share price on stock exchange at the end of period}}{\text{Earnings per share}}$	
Return on equity (ROE), %	=	$\frac{\text{Result for the reporting period}}{\text{Total equity (average)}}$	x 100
Return on investment (ROI), %	=	$\frac{\text{Result before tax + interest expense + other liability expenses}}{\text{Assets total - interest-free liabilities (average)}}$	x 100
Net gearing, %	=	$\frac{\text{Interest-bearing liabilities - cash and bank equivalents}}{\text{Total equity}}$	x 100
Equity ratio, %	=	$\frac{\text{Total equity}}{\text{Assets total - received advances}}$	x 100
Net debt to EBITDA ratio	=	$\frac{\text{Net Debt}}{\text{EBITDA past 12 months}}$	

The recognised income taxes are based on the year's estimated average income tax rate which is expected to realise during the entire reporting period.

Finnlines Plc's Shipping and Sea Transport Services transferred to tonnage-based taxation in January 2013.

Quarterly Data, IFRS

EUR million	Q1/2019	Q1/2018	Q2/2019	Q2/2018	Q3/2019	Q3/2018	Q4/2019	Q4/2018
Revenue by segment								
Shipping and Sea Transport Services total	131.8	129.0	151.9	148.5	149.1	153.5	118.1	136.3
Sales to third parties	131.9	129.1	152.0	148.5	149.2	153.5	118.2	136.3
Sales to Port Operations	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	0.0
Port Operations total	11.0	11.4	12.0	11.6	11.5	10.4	10.9	10.2
Sales to third parties	5.7	5.8	6.0	5.8	6.1	5.3	5.8	5.2
Sales to Shipping and Sea Transport Services	5.4	5.6	6.0	5.8	5.4	5.1	5.1	5.1
Group internal revenue	-5.3	-5.5	-6.0	-5.8	-5.3	-5.1	-5.0	-5.0
Revenue total	137.6	134.9	157.9	154.3	155.3	158.8	124.0	141.5
Result before interest and taxes per segment								
Shipping and Sea Transport Services	18.1	18.7	32.0	27.9	35.9	34.8	16.5	22.1
Port Operations	0.0	0.2	0.6	0.7	1.4	0.6	0.3	-0.1
Result before interest and taxes (EBIT) total	18.1	19.0	32.6	28.6	37.2	35.4	16.8	22.0
Financial income and expenses	-2.1	-2.7	-1.9	-2.7	-1.8	-2.5	-1.6	-2.3
Result before tax (EBT)	16.0	16.3	30.7	25.9	35.4	32.9	15.2	19.7
Income taxes	0.3	0.2	-0.3	-0.1	-0.3	0.2	1.3	0.0
Result for the reporting period	16.2	16.5	30.4	25.8	35.1	33.1	16.5	19.7
Quarterly consolidated key figures								
Result before interest and taxes, (% of revenue)	13.1	14.1	20.7	18.5	24.0	22.3	13.6	15.5
Earnings per share, EUR	0.32	0.32	0.59	0.50	0.68	0.64	0.32	0.38
Average number of outstanding shares (1,000)	51,503	51,503	51,503	51,503	51,503	51,503	51,503	51,503

This page is an extract of the audited Financial Statements. The complete audited Financial Statements of the Group and the parent company are available at www.finnlines.com. The extracts of the audited Financial Statements presented in the Annual Report should be viewed together with the complete and audited Financial Statements.

Board's Proposal For the Use of the Distributable Funds and Signatures to the Board of Directors' Report and to the Financial Statements

Distributable funds included in the parent company's shareholders' equity on 31 December 2019:

Retained earnings	EUR	320,892,350.57
Unrestricted equity reserve	EUR	40,882,508.10
Result for the reporting period	EUR	81,688,251.79
Distributable funds total	EUR	443,463,110.46

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.00 per share be paid out resulting in a total amount of proposed dividends of EUR 51,503,141.

Naples, 26 February 2020

Jon-Aksel Torgersen
Chairman of the Board

Christer Backman

Tiina Bäckman

Gianluca Grimaldi

Guido Grimaldi

Mikael Mäkinen

Diego Pacella

Tapani Voionmaa

Emanuele Grimaldi
President and CEO

THE AUDITOR'S NOTE

Our auditor's report has been issued today.

Helsinki, 26 February 2020

KPMG Oy Ab

Kimmo Antonen
Authorized Public Accountant

This page is an extract of the audited Financial Statements. The complete audited Financial Statements of the Group and the parent company are available at www.finnlines.com. The extracts of the audited Financial Statements presented in the Annual Report should be viewed together with the complete and audited Financial Statements.

Auditor's Report

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

To the Annual General Meeting of Finnlines Oyj

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Finnlines Oyj (business identity code 0201153-9) for the year ended 31 December, 2019. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations

governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

>>

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Other opinions

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director should be discharged from liability for the financial period audited by us.

Helsinki 26 February 2020

KPMG OY AB

Kimmo Antonen
KHT

Finnlines Plc Corporate Governance Statement

Finnlines Plc applies the guidelines and provisions of the Finnish Limited Liability Companies Act and its own Articles of Association. Finnlines also applies the Finnish Corporate Governance Code for listed companies entered into force on 1 January 2020 with regard to Finnlines' Corporate Governance Statement for the financial period ended on 31 December 2019. The Code is publicly available on www.cgfinland.fi. This Corporate Governance Statement has been approved by Finnlines' Board.

Tasks and responsibilities of governing bodies

Management of the Finnlines Group is the responsibility of the Board of Directors elected by the General Meeting as well as of the President and CEO appointed by the Board of Directors. Their duties are for the most part defined by the Finnish Limited Liability Companies Act. Day-to-day operational responsibility lies with the members of the Extended Board of Management supported by relevant staff and service functions.

General Meeting of Shareholders

The ultimate decision-making body in the Company is the General Meeting of Shareholders. It resolves issues as defined for the General Meeting in the Finnish Limited Liability Companies' Act and the Company's Articles of Association. These include approving the financial statements, deciding on the distribution of dividends, discharging the Company's Board of Directors and CEO from the liability for the financial year, appointing the Company's Board of Directors and auditors and deciding on their remuneration.

A General Meeting of Finnlines Plc is held at least once a year. The Annual General Meeting (AGM) must be held no later than the end of June. The notice to the Shareholders' Meeting shall be given no earlier than three (3) months before the Shareholders' Meeting and no later than one (1) week before the Shareholders' Meeting.

Annual General Meeting 2019

The Annual General Meeting of Finnlines Plc, held in Helsinki on 7 May 2019, approved the Financial Statements and discharged the members of the Board of Directors and the Company's President and CEO from liability for the financial year 2018.

The meeting approved the Board of Directors' proposal to pay a dividend of EUR 1.00 per share resulting in a total amount of dividends of EUR 51,503,141.

The meeting decided that the number of Board Members be nine. The meeting re-elected the current board members

Christer Backman, Tiina Bäckman, Emanuele Grimaldi, Gianluca Grimaldi, Guido Grimaldi, Mikael Mäkinen, Diego Pacella, and Jon-Aksel Torgersen and elected Tapani Voionmaa as a new member of the Board for the term until the close of the Annual General Meeting in 2020. The Board elected Jon-Aksel Torgersen Chairman and Diego Pacella Vice Chairman.

The firm of authorised public accountants KPMG Oy Ab was appointed as the Company's auditors for 2019.

Board of Directors

Responsibility for the management of the Company and proper organisation of its operations lies with the Company's Board of Directors, which has at least five (5) and at most eleven (11) members. The members of the Board are appointed by AGM for one year at a time.

The majority of the directors shall be independent of the Company and at least two of the directors representing this majority shall be independent from significant shareholders of the Company. Information on the Board composition, Board members and their independence can be found on Finnlines' website. The President and CEO is a member of the Board.

The proposal for the Board composition shall be included in the notice of AGM. The names of candidates for membership of the Board of Directors, put forward by the Board of Directors or by shareholders with a minimum holding of 10% of the Company's voting rights, are published in the notice of the AGM, provided that the candidates have given their consent to the election. The candidates proposed thereafter shall be disclosed separately.

The Board elects a chairman and a deputy chairman from among its members. The Board steers and supervises the Company's operations, and decides on policies, goals and strategies of major importance. The principles applied by the Board in its regular work are set out in the Rules of Procedure approved by the Board. The Board handles all issues in the presence of the entire Board. The Board does not have any separate committees. The Board considers all the matters stipulated to be the responsibility of a board of directors by legislation, other provisions and the Company's Articles of Association. Due to the limited extent of the Company's business, it is considered effective that the entire Board also handles the duties of the audit committee, the nomination committee as well as those of the remuneration committee.

>>

The main duties and working principles drawn up by the Board are:

- the annual and interim financial statements
- the matters to be put to General Meetings of Shareholders
- appointment and dismissal of the President and CEO, the Deputy CEO, if any, and the members of the Executive Committee
- approval of internal supervision and organisation of the Company's financial supervision
- other matters related to the duties of the audit committee mentioned in the Finnish Corporate Governance Code
- approval of the Group's strategic plan and long-term goals
- approval of the Group's annual business plan and budget
- decisions concerning investments, acquisitions, or divestments that are significant or that deviate from the Group's strategy
- decisions on raising long-term loans and the granting of security or similar collateral commitments
- risk management principles
- the Group's organisational structure
- approval of the remuneration and pension benefits of the President and CEO, the Deputy CEO, if any, and the members of the Executive Committee
- monitoring and assessment of the performance of the President and CEO.

In addition to matters requiring decisions, Board meetings are given updates on the Group's operations, financial position and risks.

The Board of Directors reviews its operations and working methods annually. The Board convenes 6–8 times a year following a predetermined schedule. In addition to these meetings, the Board convenes as necessary.

Board of Directors 2019

In 2019, the Board consisted of nine members:

- Jon-Aksel Torgersen, Chairman of the Board, born 1952, MBA, Advisor to the Board, Astrup Fearnley AS, attended meetings: 6/6
- Diego Pacella, Vice Chairman of the Board, born 1960, Degree with honours in Mech. Eng., Managing Director of Grimaldi Group S.p.A., attended meetings: 6/6
- Christer Backman, born 1945, M.Pol.Sc., attended meetings: 6/6
- Tiina Bäckman, born 1959, Master of Laws, Chairman of the Board of Pension Foundation of Rautaruukki, attended meetings: 6/6
- Emanuele Grimaldi, born 1956, Degree in Economics and Commerce, Managing Director of Grimaldi Group S.p.A., President and CEO of Finnlines Plc, attended meetings: 6/6
- Gianluca Grimaldi, born 1955, Degree in Economics and Commerce, President of Grimaldi Group S.p.A., attended meetings: 6/6

- Guido Grimaldi, born 1983, Degree in Economics, MBA, Corporate Short Sea Shipping Commercial Director, Grimaldi Group, attended meetings: 6/6
- Mikael Mäkinen, born 1956, Master of Science, Engineering, Chairman of the Board, Valmet Corporation, attended meetings: 6/6
- Tapani Voionmaa, born 1951, Master Mariner, LL.M., Post Graduate Diplomas, Group General Counsel of Finnlines Plc, attended meetings: 5/6

During 2019, Finnlines Plc's Board of Directors held 6 meetings.

The present Board of Directors can be found on Finnlines' website: www.finnlines.com/company > About us > Organization & Management

Independence of the Board of Directors

Four members, Christer Backman, Tiina Bäckman, Mikael Mäkinen and Jon-Aksel Torgersen, are independent of the Company and of the major shareholders. Gianluca Grimaldi is independent of the Company but not of its major shareholders. Gianluca Grimaldi and Emanuele Grimaldi are shareholders of Grimaldi Group S.p.A. and in addition the Board has, based on the overall analyse, considered that Guido Grimaldi (the son of Emanuele Grimaldi) and Diego Pacella (spouse of shareholder) through the said relationships are non-independent of the major shareholders due to family relationship. Emanuele Grimaldi and Tapani Voionmaa are dependent of the Company as Mr Grimaldi works as the President and CEO and Mr Voionmaa works as the Group General Counsel of the Company.

President and CEO and Deputy CEO

The Board of Directors appoints a President for the Group who is also its Chief Executive Officer. The President and CEO is in charge of the day-to-day management of the Company and its administration in accordance with the Company's Articles of Association, the Finnish Limited Liability Companies Act and the instructions of the Board of Directors. He is assisted in this work by the Executive Committee. The current President and CEO of the Company is Mr Emanuele Grimaldi (born 1956, Degree in Economics and Commerce, University of Naples, Italy). He does not receive any compensation or other benefit in the form of salary, bonus or pension benefit from the Company.

The Board of Directors appoints, if necessary, a Deputy CEO. The Company has no Deputy CEO at present.

Executive Committee and Board of Management

The members of the Executive Committee are appointed by the Board of Directors. The Executive Committee convenes regularly, and is chaired by the President and CEO. The Executive Committee supports the President and CEO in his duties in implementing Group-level strategies and guidelines, in coordinating the Group's management, in finding practical solutions for reaching the targets deter-

mined by the Board, and in supervising the Company's operations.

The Company has a Board of Management, headed by the President and CEO, which consists of the members of the Executive Committee and the heads of functions and Line Managers as well as heads of the main agencies. The heads of functions are responsible for the sales volumes and profitability of their respective units. The Board of Management supports the Executive Committee in their work upon request.

The Company has an Extended Board of Management, headed by the President and CEO, which comprises, in addition to the Board of Management, heads of other agencies, the Company's internal auditor, as well as Junior Managers. The Extended Board of Management convenes regularly to discuss operative issues related to the Group business and service products.

The retirement age of the members of the Extended Board of Management is based on local laws and there are no special pension schemes in place.

Information on the members of the Executive Committee, the Board of Management, and the Extended Board of Management, including their areas of responsibility, is given on Finnlines' website: www.finnlines.com/company > About us > Organization & Management

Compensation

The remunerations paid to the members of the Board of Management, and the principles underlying it, are determined by the Board of Directors.

The members of the Extended Board of Management are included in a bonus scheme which is decided by the Board of Directors on a yearly basis. The Board of Directors also decides on any separate performance-based compensation schemes for the management.

The bonuses are paid in cash. There are no other bonus schemes.

Remuneration in 2019

The annual remuneration for the Board of Directors in 2019 was EUR 50,000 for the Chairman, EUR 40,000 for the Vice Chairman and EUR 30,000 for the other Board members. The remuneration of the Board of Directors has remained the same as from 2008.

A detailed specification of the management contracts, salaries, remuneration and benefits paid in 2019 is given in the Financial Statements of 2019, Transactions with Related Parties, and in Finnlines' Remuneration Statement 2019 on Finnlines' website: www.finnlines.com/company > About us > Corporate Governance > Compensation

Internal audit

The Group's internal audit is handled by the Company's Internal Audit unit, which reports to the President and CEO.

The purpose of the Internal Audit is to analyse the Company's operations and processes and the effectiveness and quality of its supervision mechanisms. The unit assists Finnlines to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the internal control and governance processes. The Internal Audit unit carries out its task by determining whether the Company's risk management, internal control and governance processes, as designed and represented by the management, are adequate and functioning in a manner to ensure that:

- Risks are appropriately identified and managed.
- Interaction with the various governance groups occurs as needed.
- Significant financial, managerial and operating information is accurate, reliable and timely.
- Employees' actions are in compliance with policies, standards, procedures and applicable laws and regulations.
- Resources are acquired economically, used efficiently and adequately protected.
- Programmes and plans are properly implemented and objectives are achieved.
- Quality and continuous improvement are fostered in the Company's internal control processes.
- Significant legislative or regulatory issues impacting the Company's internal controls are recognised and addressed appropriately.

The head of the Internal Audit unit prepares an annual plan using an appropriate risk-based methodology and taking into consideration potential risks or control concerns identified by the management. The scope of the audits within a fiscal year is planned so that it is representative and the focus is set on the business areas with the highest risk potentials. The plan is approved by the President and CEO. The internal auditor also carries out special tasks assigned by the Chairman, the President and CEO or the Board of Directors.

The internal auditor conducts the internal audits independently from operational units. In his auditing work the auditor complies with the corporate governance, ethical principles, policies and other guidelines of the Company.

The audit reports are sent to the President and CEO and the CFO. The President and CEO and the CFO have at least once a year a closed session with the head of Internal Audit unit about the results of the conducted audits and the plans for the next period. Relevant issues are also brought to the attention of the Board of Directors.

>>

Risk management

Internal control in Finnlines is designed to support the Company in achieving its targets. The risks related to the achievement of the targets need to be identified and evaluated in order to be able to manage them. Thus, identification and assessment of risks is a prerequisite for internal control in Finnlines.

Internal control mechanisms and procedures provide management assurance that the risk management actions are carried out as planned. Conscious and carefully evaluated risks are taken in selecting strategies, e.g. in expanding business operations, in enhancing market position and in creating new business.

Financial, operational and damage/loss risks are avoided or reduced. The continuity of operations is ensured by safeguarding critical functions and essential resources. Crisis management, continuity and disaster recovery plans are prepared. The costs and resources involved in risk management are in proportion to the obtainable benefits.

The Board of Directors of Finnlines is responsible for defining the Group's overall level of risk tolerance and for ensuring that Finnlines has adequate tools and resources for managing risks. The President and CEO, with the assistance of the Executive Committee, is responsible for organising and ensuring risk management in all Finnlines' operations.

Responsibilities for the Group's working capital, investments, financing, finances, human resources, communications, information management and procurement are centralised to the head office of the Company. The Group's payment transactions, external and internal accounting are managed centrally by the Financial Department, which reports to the CFO. The Group's foreign exchange and interest exposure is reviewed by the Board of Directors in each budgeting period. External long-term loan arrangements are submitted to the Board of Directors for approval.

The Corporate Legal Affairs and Insurance unit is responsible for risks associated with the Company's noncurrent assets and any interruptions in operations, as well as for the management and coordination of the Group's insurance policies. The majority of the Group's non-current assets consist of its fleet. The fleet is always insured to its full value. The financial position and creditworthiness of the Group's customers are monitored continuously in order to minimise the risk of customer credit losses.

Each business unit has a responsible controller who reports to the head of the relevant business unit and to the Group CFO. The heads of Finnlines' business units are responsible for the profit and working capital of their units. They set the operational targets for their units and ensure that resources are used efficiently and that operations are evaluated and improved.

Finnlines' most important strategic, operative and financial risks are described in the Financial Statements 2019, Financial Risk Management.

Internal control over the financial reporting

Monitoring is a process that assesses the quality of Finnlines' system of internal control and its performance over time. Monitoring is performed both on an ongoing basis, and through separate evaluations including internal, external and quality audits. The business unit is responsible for ensuring that relevant laws and regulations are complied with in their respective responsibility areas.

The Internal Audit function assists the President and CEO and the Board of Directors in assessing and assuring the adequacy and effectiveness of internal controls and risk management by performing regular audits in the Group's legal entities and support functions according to its annual plan. Finnlines' external auditor and other assurance providers such as quality auditors conduct evaluations of the Company's internal controls.

The Company's financial performance is reviewed at each Board meeting. The Board reviews all interim and annual financial reports before they are released. The effectiveness of the process for assessing risks and the execution of control activities are monitored continuously at various levels. This involves reviews of results in comparison with budgets and plans. Responsibility for maintaining an effective control environment and operating the system for risk management and internal control of financial reporting is delegated to the President and CEO. The internal control in the Company is based on the Group's structure, whereby the Group's operations are organised into two segments and various business areas and support functions. Group functions issue corporate guidelines that stipulate responsibilities and authority, and constitute the control environment for specific areas, such as finance, accounting, and investments, purchasing and sales.

The Company has a compliance programme. Standard requirements have been defined for internal control over financial reporting. The management expects all employees to maintain high moral and ethical standards and those expectations are communicated to the employees through internal channels.

The Group Finance & Control unit monitors that the financial reporting processes and controls are being followed. It also monitors the correctness of external and internal financial reporting. The external auditor verifies the correctness of external annual financial reports.

The Board monitors the statutory audit of the financial statements and consolidated financial statements, evaluates the independence of the statutory auditor or audit firm, particularly the provision of related services to the Company and prepares the proposal for resolution on the election of the auditor.

The Board reviews annually the description of the main features of the internal control and risk management systems in relation to the financial reporting process, which is included in this Corporate Governance Statement.

Information management

An effective internal control system needs sufficient, timely and reliable information to enable the management to follow up the achievement of the Company's objectives. Both financial and non-financial information is needed, relating to both internal and external events and activities.

Information management plays a key role in Finnlines' internal control system. Information systems are critical for effective internal control as many of the control activities are programmed controls.

The controls embedded in Finnlines' business processes have a key role in ensuring effective internal control in Finnlines. Controls in the business processes help ensure the achievement of all the objectives of internal control in Finnlines, especially those related to the efficiency of operations and safeguarding Finnlines' profitability and reputation. Business units and IT management are responsible for ensuring that in their area of responsibility the defined Group level processes and controls are implemented and complied with. Where no Group level processes and controls exist, business units and IT management are responsible for ensuring that efficient business level processes with adequate controls have been described and implemented.

The proper functioning of Finnlines' information systems is guaranteed through extensive and thorough security programs and emergency systems.

Insider management

Finnlines' shares or other securities are not listed. Therefore, Finnlines does not apply MAR or other regulations applicable to inside information relating to listed issuers.

Related party transactions

The Company will assess and monitor transactions carried out with related parties and ensure that any conflicts of interests will be appropriately considered in the Company's decision-making in accordance with the applicable provisions of the Limited Liability Companies Act. The Company maintains a list of related parties in its Group administration.

The Company provides information on related party transactions according to the Limited Liability Companies Act and regulations governing the preparation of the financial statements in the review by the Board of Directors and notes to the financial statements.

External audit

The Company has one auditor which shall be an auditing firm authorised by the Central Chamber of Commerce. The auditor is elected by the Annual General Meeting to audit the accounts for the ongoing financial year and its duties cease at the close of the subsequent Annual General Meeting. The auditor is responsible for auditing the consolidated and parent company's financial statements and accounting records, and the administration of the parent company. On closing of the annual accounts, the external auditor submits the statutory auditor's report to the Company's shareholders, and also regularly reports the findings to the Board of Directors. An auditor, in addition to fulfilling general competency requirements, must also comply with certain legal independence requirements guaranteeing the execution of an independent and reliable audit.

Auditor in 2019

In 2019, the Annual General Meeting elected KPMG Oy Ab as the Company's auditor for the fiscal year 2019. Kimmo Antonen, APA, has been appointed the head auditor. It was decided that the external auditors be reimbursed according to invoice. In 2019, EUR 125 thousand was paid to the auditors in remuneration for the audit of the consolidated, parent company and subsidiary financial statements. During the same year, EUR 27 thousand was paid for consulting services not related to auditing.

Communications

The principal information on Finnlines' administration and management is published on the Company's website. All press releases are published on the Company's website as soon as they are made public.

Board of Directors

Jon-Aksel Torgersen

Chairman of the Board

- Member of Finnlines Board since 2007
- Independent of the Company and major shareholders
- Chairman of the Board since 2013
- Astrup Fearnley AS, Advisor to the Board
- Born 1952, Master in Business Administration, University of St.Gallen, Switzerland

Current positions

- Atlantic Container Line AB, Chairman
- Awilco LNG ASA, Board Member
- Transportation Recovery Fund, L.P. Board Member and Member of the Investment Committee
- Chairman and Board Member of a number of private companies

Diego Pacella

Vice Chairman of the Board

- Member of Finnlines Board since 2007
- Independent of the Company
- Grimaldi Deep Sea S.p.A., President & Managing Director
- Grimaldi Group S.p.A., Managing Director
- Grimaldi Euromed S.p.A., Managing Director
- Born 1960, Degree in Mechanics Engineering, University of Naples, Italy

Current positions

- Minoan Lines, Greece, Board Member
- Malta Motorways of the Sea Ltd, Board Member
- Atlantic Container Line AB, Board Member
- Wallhamn AB, Board Member
- Marittima Spedizioni srl, President
- Finance Committee of Confitarma, Member

Christer Backman

- Member of Finnlines Board since 2012
- Independent of the Company and major shareholders
- Born 1945, Master of Political Sciences, Åbo Akademi University

Tiina Bäckman

- Member of Finnlines Board since 2012
- Independent of the Company and major shareholders
- Pension Foundation of Rautaruukki, Chairman of the Board
- Born 1959, Master of Laws LL.M., University of Lapland

Current positions

- OP Financial Group's central cooperative (OP Cooperative), Supervisory Board Member, Working Committee and Risk Management Committee Member

- Nordlab laboratory consortium (Pohjois-Suomen laboratoriokeskus), Board Member
- Partnera (Oulun Puhelin) Oyj Pension foundation, Chairman of the Board
- Finland Chamber of Commerce, Redemption Board Member
- Finnish Medical Foundation, Advisory Board Member

Emanuele Grimaldi

- Member of Finnlines Board since 2006
- President and CEO of Finnlines Plc since 2013
- Grimaldi Group S.p.A., Managing Director
- Grimaldi Deep Sea S.p.A., Board Member
- Grimaldi Euromed S.p.A., President and Managing Director
- Born 1956, Degree in Economics and Commerce, University of Naples, Italy
- General Certificate of Education (scientific studies), Military School Nunziatella in Naples, Italy
- Honoured as Commander of the Order of the Lion of Finland in 2018

Current positions

- Minoan Lines, Greece, President
- Malta Motorways of the Sea Ltd, President
- Atlantic Container Line AB, Board Member
- International Chamber of Shipping, Vice Chairman
- European Community Shipowners' Associations, Past President and Board Member
- Interferry Inc, Board Member

Gianluca Grimaldi

- Member of Finnlines Board since 2007
- Independent of the Company
- Grimaldi Group S.p.A., President
- Grimaldi Deep Sea S.p.A., Board Member
- Grimaldi Euromed S.p.A., Board Member
- Born 1955, Degree in Economics and Commerce, University of Naples, Italy
- Honoured as "Cavaliere del Lavoro" in 2014

Current positions

- Minoan Lines, Greece, Board Member
- Malta Motorways of the Sea, Board Member
- Atlantic Container Line AB, Board Member
- Antwerp Euro Terminal n.v. – Antwerp (Belgium), President

Guido Grimaldi

- Member of Finnlines Board since 2017
- Independent of the Company
- Born 1983, Degree in Economics, University Federico II of Naples, Italy and MBA Master "Automotive Logistics" of ECG Academy (European Vehicle Logistics Association)

- Corporate Commercial Director of Grimaldi Short Sea Shipping
- President of the agencies Grimaldi Sardegna & Grimaldi Catania
- Valencia Terminal Europa, Board Member
- Grimaldi Marangolo Terminal Catania, Board Member
- Grimaldi Logistica Genova, Board Member
- Grimaldi Maroc, Board Member
- Grimaldi Tunis, Board Member

Current positions

- ALIS, Logistic Association of Sustainable Intermodality, President
- Commission for Short Sea Lines of Confitarma (Italy's Shipowners Association), President
- ICS (International Chamber of Shipping) Short Sea Panel, Member
- Aspen, Member
- Advisory Board VolaNapoli Onlus, Member
- Honorary President of the Association "Un Calcio per Tutti Onlus"

Mikael Mäkinen

- Member of Finnlines Board since 2018
- Independent of the Company and major shareholders
- Born 1956, Master of Science, Helsinki University of Technology

Current positions

- Valmet Corporation, Chairman of the Board

Tapani Voionmaa *

- Member of Finnlines Board since 2019
- Independent of the major shareholders
- Group General Counsel of Finnlines Plc until 3 February 2020
- Finnlines Group's Senior Advisor since 3 February 2020
- Secretary to the Board of Directors since 2009
- Born 1951, Master Mariner, LL.M., University of Helsinki, Post Graduate Diplomas, King's College, London

Current positions

- Maritime Foundation (Merenkulun säätiö), Chairman of the Board
- Finnish Shipowners Association, Helsinki, Chairman of the Board

*Member of the Board since 7 May 2019.

More information on the members of the Board at www.finnlines.com

Executive Committee

Emanuele Grimaldi

- President and CEO of Finnlines Plc since 2013
- Member of the Executive Committee since 2012
- Born 1956, Degree in Economics and Commerce, University of Naples, Italy
- General Certificate of Education (scientific), Military School Nunziatella, Naples, Italy

Thomas Doepel

- COO since 1 January 2020
- Head of Ship Management Department since 1 January 2020
- Head of Purchasing, Port Cost Control & Equipment Department
- Member of the Executive Committee since 2013
- Born 1974, M.Sc. (Econ.), Master Mariner, Executive MBA in Shipping and Logistics (Copenhagen Business School)

Staffan Herlin

- Head of Group Marketing, Sales and Customer Service
- Line Manager Germany, North Sea ro-ro
- Member of the Executive Committee since 2013
- Born 1958, M.Sc. (Econ.)

Mikael Lindholm

- Head of Ship Management until 31 December 2019
- Head of Newbuilding Department since 1 January 2020
- Member of the Executive Committee since 2013
- Born 1958, Master Mariner, Business management education

Tom Pippingsköld

- CFO
- Member of the Executive Committee since 2013
- Born 1960, B.Sc., MBA

Antonio Raimo

- Line Manager NordöLink, FinnLink and Russia
- Member of the Executive Committee since 2013
- Born 1975, M.Sc. (Banking and Economics), Master in Business Administration

Kielo Vesikko

- Head of Passenger Services
- Line Manager HansaLink & Hanko/ Helsinki–Rostock
- Member of the Executive Committee since 2013
- Born 1957, Diploma in Translation

Tapani Voionmaa

- Group General Counsel of Finnlines Plc until 3 February 2020
- Finnlines Group's Senior Advisor since 3 February 2020
- Member of the Executive Committee since 2013
- Born 1951, Master Mariner, LL.M., Pg Dipl

Board of Management

(in addition to the Executive Committee)

Uwe Bakosch, Managing Director, Finnlines Deutschland GmbH

Domenico Ferraiuolo, Head of Port Operations

Claus Høgh, Line Manager, Scandinavia ro-ro

Agnieszka Walenciak, Line Manager, Hanko–Gdynia

Kimmo Kostia, Head of Group IT, Hardware

Santeri Laakso, Head of Financial Department

Jan Laurell, Head of Group HR

Mervi Pyökäri, Head of Legal, Insurance and Claims*

Sanna Simpanen-Mäenpää, Group Business Controller

Kristiina Uppala, Head of Customer Service, Passenger Services

Vesa Vähämaa, Head of Group IT, Software

Extended Board of Management

(in addition to the Board of Management)

Luc Hens, Managing Director, Finnlines Belgium N.V.

Merja Kallio-Mannila, Head of Sales & Customer Service Finland;

Deputy Head of Group Sales, Marketing & Customer Service

Reijo Krook, Internal Auditor and Quality Manager**

Rafal Kwapisz, Managing Director, Finnlines Poland

Kimmo Lehtinen, Deputy Head of Port Operations, Finnsteve

Blasco Majorana, Traffic Manager, North Sea

Torsti Muuri, Traffic Manager, Baltic Sea

Brian Rolfe, Managing Director, Finnlines UK Limited

Torkel Saarnio, Head of Truck and Trailer Segment;

Deputy Line Manager of HansaLink, Hanko/ Helsinki–Rostock

*Member since 3 February 2020.

**Member until 29 February 2020.

More information on the members of the Management at www.finnlines.com



Modern and eco-efficient fleet

Finnlines fleet 31 December 2019

RO-PAX VESSELS

Finnmaid (2006)
Finnstar (2006)
Finnlady (2007)
Finnswan (2007)

Length, o.a. (m)	218.8
Breadth, moulded (m)	30.5
DWT metric tons	9,043 / 9,061 / 8,840 / 8,870
GT	45,923
Total lane length (m)	4,215
Passengers	554
Speed (knots)	22
Ice Class	1A Super

Europalink (2007)

Length, o.a. (m)	218.8
Breadth, moulded (m)	30.5
DWT metric tons	8,757
GT	46,119
Total lane length (m)	4,215
Passengers	554
Speed (knots)	22
Ice Class	1A

Finnclipper * (1999)
Finnfellow (2000)

Length, o.a. (m)	188.3
Breadth, moulded (m)	29.5
DWT metric tons	7,209 / 7,267
GT	33,958 / 33,724
Total lane length (m)	3,079 / 3,099
Passengers	440
Speed (knots)	22
Ice Class	1A



Finnpartner (1995 / 2007)
Finntrader (1995 / 2007)

Length, o.a. (m)	183.0
Breadth, moulded (m)	28.7
DWT metric tons	9,088 / 9,132
GT	33,313
Total lane length (m)	3,050
Passengers	280
Speed (knots)	21
Ice Class	1A Super





RO-RO VESSELS

Finnbreze (2011/2018)
Finnsea** (2011/2018)
Finnsky (2012/2018)
Finnsun (2012/2018)
Finntide (2012/2017)
Finnwave (2012/2018)

Length, o.a. (m)	217.8
Breadth, moulded (m)	26.5
DWT metric tons	14,500
GT	33,816
Total lane length (m)	4,192
Speed (knots)	21
Ice Class	1A

Finnmerchant (2003)

Length, o.a. (m)	193.0
Breadth, moulded (m)	26.0
DWT metric tons	13,106
GT	23,235
Total lane length (m)	2,606
Speed (knots)	18
Ice Class	1A

Finnmill (2002 / 2009) **Finnpulp** (2002 / 2009)

Length, o.a. (m)	187.06
Breadth, moulded (m)	26.5
DWT metric tons	11,744 / 11,682
GT	25,732
Total lane length (m)	3,259
Speed (knots)	20
Ice Class	1A

Finnkraft (2000) **Finnhawk** (2001)

Length, o.a. (m)	162.5
Breadth, moulded (m)	20.6
DWT metric tons	9,041 / 9,035
GT	11,671
Total lane length (m)	1,853
Speed (knots)	20
Ice Class	1A Super

Finnmaster (1998)

Length, o.a. (m)	154.5
Breadth, moulded (m)	22.7
DWT, metric tons	8,647
GT	12,433
Total lane length (m)	1,775
Speed (knots)	20
Ice Class	1A Super



Finlines has a fleet of 21 vessels in its ownership.

* Under bareboat charter to an external party.
 ** Under bareboat charter to the Grimaldi Group.

DWT: Deadweight Tonnage (sea water density 1,025 kg/m³)

GT: Gross Tonnage



Operating areas

Liner traffic area 31 December 2019

Finnlines' main operating areas are the Baltic Sea and the North Sea. With more than 170 weekly freight departures and 80 passenger departures, Finnlines today provides efficient shipping services.

Contact information

Find us online
www.finnlines.com



Finnlines Plc

Komentosilta 1
 00980 Helsinki, Finland
 P.O. Box 197
 00181 Helsinki, Finland
 tel +358 10 343 50
www.finnlines.com

Finnlines Deutschland GmbH

Einsiedelstraße 43–45
 23554 Lübeck, Germany
 P.O. Box 102222
 23527 Lübeck, Germany
 tel +49 451 150 70

Finnlines Belgium N.V.

Blikken Haven 1333
 9130 Verrebroek, Belgium
 tel +32 3 570 9530

Finnlines Danmark a/s

Multvej 16
 8000 Aarhus C, Denmark
 tel +45 86 206 650

Finnlines Polska Co. Ltd.

ul. Aleja Solidarnosci 1C
 81336 Gdynia, Poland
 tel +48 58 627 4239

Finnlines UK Ltd.

Finhumber House
 Queen Elizabeth Dock
 Hedon Road
 Hull HU9 5PB, Great Britain
 tel +44 1482 377 655

Rederi AB Nordö-Link

Lappögatan 3B
 21124 Malmö, Sweden
 P.O. Box 106
 20121 Malmö, Sweden
 tel +46 40 176 800

Finnsteve Oy Ab

Komentosilta 1
 00980 Helsinki, Finland
 P.O. Box 225
 00181 Helsinki, Finland
 tel +358 10 565 60

The Grimaldi Group

With a long experience dating back to 1947, the Grimaldi Group specialises in the operation of roll-on/roll-off vessels, car carriers and ferries. It is a dedicated supplier of integrated logistics services based on maritime transport to the world's major vehicle manufacturers. Through its maritime services, the Naples-based Group also transports containers, palletised/unitised cargo and passengers with a modern fleet of more than 120 ro-ro-multipurpose vessels, pure car carriers and ferries, 30 of which built in the last five years.

The Group's presence in the maritime transport of vehicles started in 1969 when it introduced a regular service between Italy and England. The Group rapidly gained the trust of other major car manufacturers who chose Grimaldi's vessels to transport their production from Northern Europe to various Mediterranean countries. Throughout the years the Group rapidly developed and now serves over 120 ports in 50 countries in the Mediterranean Sea, Northern Europe, West Africa, North and South America. The shore personnel and crew are over 16,000 people.

The Grimaldi Group comprises six main shipping companies, including Atlantic Container Line (ACL), Malta Motorways of the Sea, Finnlines and Minoan Lines. The Finnish company Finnlines runs a fleet of ro-pax and ro-ro vessels in the Baltic Sea and Northern Europe, while the Greek ferry company Minoan Lines operates ro-pax services between Piraeus and Crete, and a high speed service between Crete and the Cyclades Islands.

The Grimaldi Group has also evolved to become a multimodal transport operator offering "door-to-door" logistics services. For this purpose, it currently operates, together with strategic partners, various car and container terminals totalling over 6 million sq. metres in the Mediterranean, Northern Europe and West Africa as well as trucking companies for the transport of cars and containers.

In recent years, the Group has also invested in development of the "Motorways of the Sea" in the Mediterranean Sea introducing new and modern ro-pax ferries. Currently, its network covers Italy, Spain, Malta, Montenegro, Tunisia, Morocco, Libya and Greece for the transport of trailers, cars and passengers.

The high-quality services offered by the Grimaldi Group are being regularly awarded by its international clientele such as General Motors, FCA, Ford, Honda and Land Rover.

Finally, the Grimaldi Group is the first Italian shipping company to have obtained the SMS, ISO 9001 and ISO 14001 certifications for Safety, Quality and Environment. Moreover, the Grimaldi Group is also the first shipping company in Italy to be awarded the status of Authorized Economic Operator – Complete (AEO-F).

www.grimaldi.napoli.it

Photos:

110th Street Productions, Tasha Doremus and Finnlines' archives.



Finnlines Plc
Komentosilta 1
00980 Helsinki, Finland
P.O.Box 197, 00181 HELSINKI, Finland
Phone +358 10 343 50
www.finnlines.com